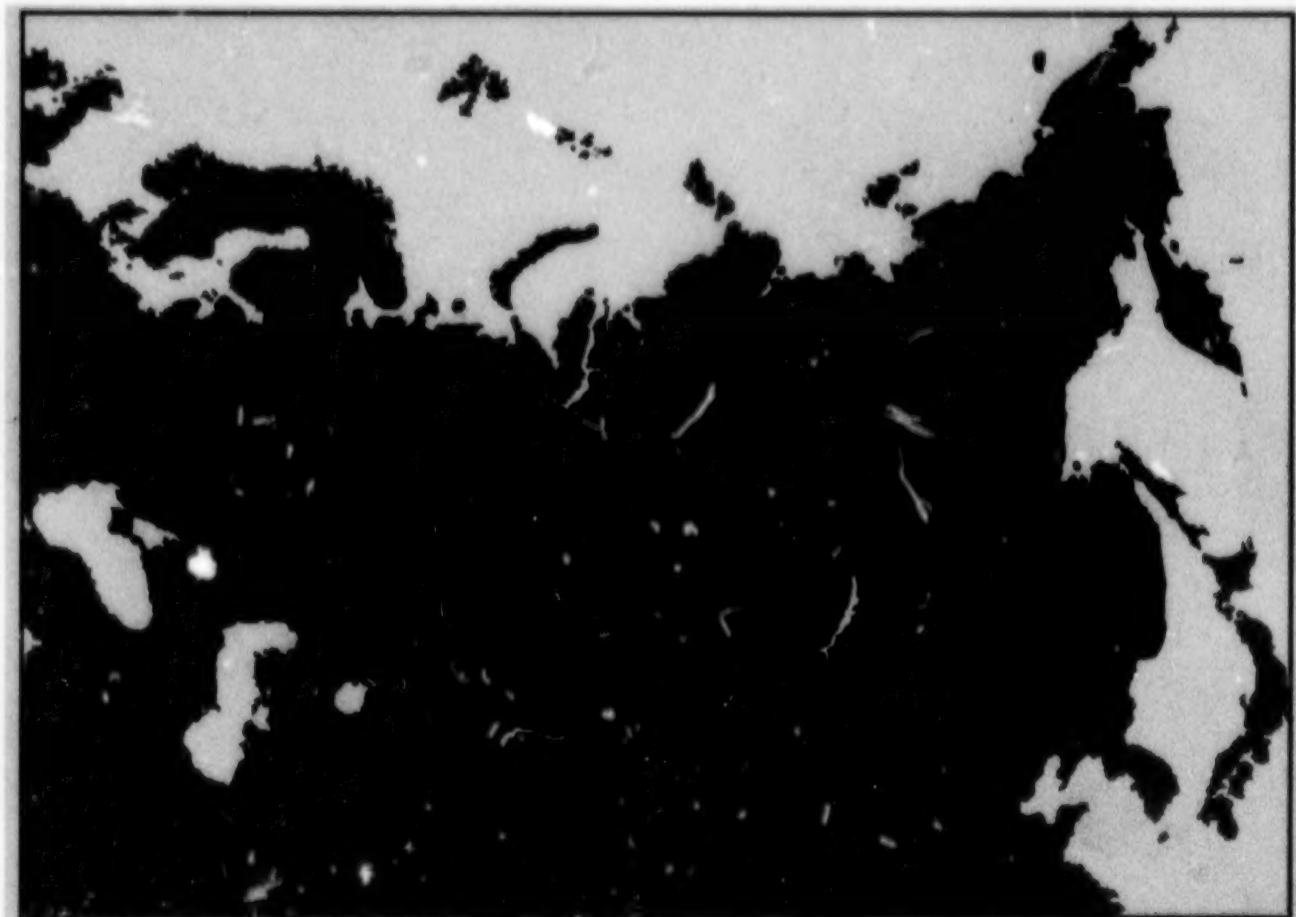




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CENTRAL EURASIA



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Tripartite Strategic Arms Deal Criticized
94WC0022A Moscow SEGODNYA in Russian
15 Jan 94 p 2

[Article by Pavel Felgengauer: "Choosing an Objective American Style"]

[Text] Presidents Clinton and Yeltsin have agreed that the strategic nuclear missiles of the United States and Russia will now be trained in not on the territory of the "probable enemy," but instead—on the empty regions of the world ocean. Now if something were to happen, the combined megatonnage of the two superpowers would merely slaughter fish and, perhaps, a couple of unfortunate fishermen.

This, of course, is a large step forward compared to Cold War times when, at the beginning of the eighties, on both sides of the ocean fingers were literally quivering over the launch buttons. The re-aiming of the strategic missiles was possibly the last in a long list of peaceful initiatives of Gorbachev, Reagan, and Bush, which made the beginning of the nineties quite different from the beginning of the eighties.

In this case, the initiative came from the American military. The Pentagon was concerned about reductions of staff and combat readiness in the Russian Army, about which there were many reports last year, and also the general crisis in our country, as a result of which, as they think there, there was a greater probability of unsanctioned or accidental launching of missiles.

The Russian Ministry of Internal Affairs was happy to support the new peace initiative, and the Ministry of Defense and General Staff had no objections. The agreement was signed, but neither in the United States nor in Russia was there any possibility of monitoring compliance. All questions of controlling strategic nuclear forces (SYaS) are a carefully kept state secret. Nothing is known

specifically—all one can do is guess. But one can assume with a certain amount of confidence that the Russian (Soviet) missiles were not aimed anywhere in particular anyway. There are various possible versions of their application and, correspondingly, a set of flight assignments. The order to launch and, correspondingly, the number of the flight assignment come from Moscow at the same time, and the team on duty in the underground command point in a standard situation does not participate in the launch at all. It merely echoes the commands from Moscow in the event of a possible failure of the electronic system, but itself can launch nothing without an order from Moscow granting permission.

When a year and a half ago President Yeltsin spoke about the fact that our missiles were not aimed at the cities of England and the United States, he undoubtedly spoke the truth, although in the West they did not really understand this ("Where are they aimed, then?dd)direction really could serve as an additional safeguard against an accidental nuclear war. But since the majority of Americans, particularly the military—patriots of their homeland—are firmly convinced that the American way of solving any problem is the best, they are thus convinced that our equal triad of strategic nuclear forces is more or less a copy of their triad. Which in reality is far from the case. Frequently, fundamentally different technical and military-political solutions were used in the Soviet Union.

The most reliable thing would probably be for our presidents to simply take and exchange nuclear buttons, and thus put an end to the threat of nuclear war once and for all. Incidental, the already mentioned differences in the organization of strategic nuclear forces could make sure that this exchange would not be altogether equivalent, either. It has long been known that what is good for the Russian is good for the German (or, say, the American).... Or, as Sir Kipling wrote: "East is East and West is West, and never the twain shall meet."

POLITICAL AFFAIRS

Kuchma-Hrynyov Alliance Evaluated944K0503B Kiev NEZAVISIMOST in Russian
22 Dec 93 p 2

[Article by L. Khazan: "The Kuchma-Hrynyov Alliance—Biggest Surprise of the Season"]

[Text] The super-bloc of this election campaign, the union of ex-Prime Minister Leonid Kuchma and ex-Deputy Speaker Volodymyr Hrynyov, was met with a certain degree of bewilderment by the broad segment of quasi-political masses. But despite being entirely unexpected, it was still immediately perceived as being fairly strong and flexible. The impression remains, however, that this compromise union is deficient, due to the fact that ex-Deputy Prime Minister Volodymyr Lanovyy is not a participant. Prior to this time, Lanovyy's views on methodology for the conduct of market transformations coincided with those of Volodymyr Hrynyov. Which cannot be said about Leonid Kuchma. Nor has this strange factor gone unnoticed by observers and delegates to the III Congress of New Ukraine, from which all three individuals have sprung.

But Leonid Kuchma did not spend a long time in New Ukraine, soon making his career as the head of government. While Volodymyr Lanovyy left New Ukraine over disagreement with the tactics of the antimarket—in Lanovyy's view—policy of Kuchma following the II Congress. The New Ukraine leader, Volodymyr Hrynyov, has evidently embarked upon a path seeking unifying factors with Leonid Kuchma, not disjunctive ones.

V. Hrynyov's attempt once again to draw V. Lanovyy into the ranks of New Ukraine at the III Congress 18 November were not crowned with success. In his presentation to the congress, Lanovyy expressed a sharply negative assessment of the Kuchma-Hrynyov alliance. Perhaps not the least important—although not the most important either—role in the difficult relationship between Lanovyy and Kuchma was played by the ugly situation that came about in January of this year, when the Center for Market Reforms, headed by Lanovyy, presented to Prime Minister Kuchma—still new in office at that time, a program of market transformations. But Kuchma, enamored with the idea of "management of the state sector," failed to attribute to the program the significance it deserved. His apparatus (V. Pynzenyk's name was also mentioned here) used scissors and glue to fashion a motley collection of fragments of diverse—at times mutually exclusive—economic programs, including the program of the Center for Market Reforms, into which titanic labor had been expended, according to Lanovyy. In the final analysis, the eclectic nature of the policy of the Kuchma Cabinet (along with pressure from the president's clan) led to his resignation. Not joining the alliance, Volodymyr Lanovyy is establishing the

Union of Private Property Owners and Entrepreneurs, whose congress will convene 24-25 December.

So what is this union of Kuchma and Hrynyov based on? It is most likely based on a certain convergence of positions, for which Kuchma had to make at least a small shift to the right, and Hrynyov—to the left, which fixes the position of the alliance on the left flank, but not far from center. From all appearances, the prediction of farsighted politicians and political experts, including the well-known V. Malinkovich, on prospects for a left-centrist bloc is coming to fruition. We know that political groups of appropriate orientation formed prior to this time are beginning to gravitate towards it. The election results will show whether or not it was worth the trouble.

UNSO Leader Calls Ban 'Provocation'944K0561A Kiev UKRAYINA MOLODA in Ukrainian
6 Jan 94 p 3

[Interview with Dmytro Korchynskyy, deputy commander, UNSO, by Oleh Yeltsov, journalist: "Dmytro Korchynskyy: 'It's No Problem for Us To "Put Down" a Certain Number of Persons'"]

[Text] At the end of 1993—by a vote of 294 "for" and 23 "against"—our parliament added three amendments to the Criminal Code. These amendments provide for criminal liability for mercenary service, participation in armed conflicts on the territory of other states, and illegal activity by citizens' associations. To be sure, everyone understood that these amendments had been prepared—first and foremost—bearing the UNSO [Ukrainian People's Self-Defense Forces] in mind. The journalist Oleh Yeltsov addressed some questions to Dmytro Korchynskyy, deputy commander of UNSO, on this score. Their discussion is printed below.

[Korchynskyy] The enactment of these amendments can be regarded from the following two points of view: political and legalistic.

In our opinion, from the legalistic point of view, these amendments are inconsistent with—or even contradict—international norms, the Ukrainian Constitution, and...common sense. Thus, the law in question provides criminal liability for participation in international armed conflicts without the objective of receiving remuneration. Moreover, such persons are really not mercenaries, but rather so-called combatants; and they are protected by various international conventions. Byron, Hemingway, and Che Guevara were combatants. If they were living in Ukraine right now, they would be put behind bars for five years. And, in fact, Hemingway would be sentenced to 12 years because he received payment for his activity.

A great deal of interest has also been aroused by the definition of a "militarized formation or unit": It is motivated by the military principle, which includes authority, subordination, and discipline; for how else

can a troop formation or sports training be conducted? And so now people will be condemned for discipline and military training. These amendments likewise provide for criminal liability for participating in informal associations. Not even the Bolsheviks attempted to do this when they were in power. From now on, the amateur members of a choral group will be taking a chance if they have failed to register themselves. But it is understood, of course, that the singers will go on singing, while this law will be applied to us—the foes of the present regime.

[Yeltsov] Nevertheless, no matter what kind of a thing his new law may be, it has been put into effect. What moves do you intend to make in order to cope with it?

[Korchynskyy] I'd like to ask you the following questions: Who will be the judges? In accordance with what kind of legality will they proceed when the state itself is utterly criminal in nature?

[Yeltsov] Critical observations and remarks have been directed at the UNA [Ukrainian National Assembly]-UNSO for quite some time now. How do you explain the fact that these "criminal" amendments were enacted precisely at this time?

[Korchynskyy] Everything that is occurring in the state now must be perceived within the following overall context: ruination of the credit, financing, and banking system, the actions of the government directed at incapacitating any kind of economic life at all.... That is to say, those very same persons who are attacking the foundations of economic life are also attacking us. And they certainly do sense the threat—or at least the genuine inconvenience—which is personified by our organization. They are moved by a trend to step up the persecutions of our self-defense forces and the UNA structures with strikes and free trade unions. The regime has begun to be agitated by the fact that the working people's actions are assuming more organized features. An increasingly greater number of workers are coming to the conclusion that the path of strikes and trade-union methods alone will not correct the situation. And—here and there in the localities—a genuine threat is already being posed to this government.

[Yeltsov] In such cases, what will be your specific actions in the situation which has evolved?

[Korchynskyy] We are being provoked to take revenge. And, indeed, it's no problem for us to beat up this or that bureaucrat, or to "put down" a certain number of persons. Believe me, we have gained enough combat experience for this purpose at various points of military confrontation. However, it is not revenge that we need, but rather victory. We will not fall into the trap of yielding to such a provocation. If we were to set for ourselves the mission of overthrowing and ruining this state, then it would not be hard to accomplish that. We have experience in acting under the conditions of destruction.

[Yeltsov] Then what is it that you are striving for?

[Korchynskyy] We are for order and a strong state.

[Yeltsov] What kind of a path do you see in order to attain such goals?

[Korchynskyy] Cooperation and consolidation among the UNSO, the political power of the UNA, the officer corps, the national capital, and the independent unions. If such a constructive force were to be finally and definitively formed, the present-day regime would be toppled without any bloodshed and with the maximum legitimacy.

[Yeltsov] But let's turn from the political program to your orientation with regard to today's legislative space. As of now, UNSO activity has already been designated or categorized as illegal. Will your actions be aimed at going underground or at endeavoring to become legalized?

[Korchynskyy] First of all, we will be utilizing the possibilities of legal activity. We will try to register our units in the localities.

[Yeltsov] But if your attempts to become included within the power structure prove vain and useless, what kinds of actions will you take then?

[Korchynskyy] It is undoubtedly the case that the potentials of the MVS [expansion not given] are incomparably greater than those of the UNSO. I have only a few thousand comrades-in-arms. But all of them have been tried and tested in combat actions; they have gathered together and are bonded by their own blood. In our organization we do not betray each other. That is to say, we judge a person by his healthy, human instincts.

But a situation could evolve whereby our organization could be deprived of its leadership—a leadership which has made no effort to hide itself from the present-day authorities. And then uncontrolled actions by our fellows could not be ruled out.

[Yeltsov] But against whom would they take action: against the government, the parliament...?

[Korchynskyy] On that score I'm sure that it would be an unmotivated kind of terror. And history has emphasized that unmotivated terror is the most effective.

[Yeltsov] A great many rumors continue to abound concerning the existence of reserve supplies of firearms in the possession of the UNSO.

[Korchynskyy] It would be simply senseless for us to stockpile such weapons. Practical experience in military conflicts on the territory of the CIS has attested that arms should not be gathered in such stockpiles. They will appear as soon as the need for them arises. We do not need to seek out weapons—they are all around us.

[Yeltsov] Rumors are also spreading about the existence of a ruthlessly severe security service in your organization...

[Korchynskyy] The best security system is a sure system of relations in the midst of the organization itself. And in connection with underground activity, centralization is even detrimental.

Preelection Political Forces Analyzed

944K0566A Lvov POST-POSTUP in Ukrainian No 48,
30 Dec 93-5 Jan 94 pp A4-5

[Article by Vyacheslav Pikhovshek, Choice, special to POST-POSTUP: "Three Trampolines, One Hole: Tactics of Political Forces in Preelection Leaping"]

[Text] With 90 days remaining before the elections, nobody any longer doubts that potential people's deputies of the 1994 vintage will mostly leap into the Supreme Council from trampolines of three designs. Although the names of those who wish to try it on two or three trampolines at the same time are known, an overwhelming majority of candidates have already chosen a design to their liking and in line with their potential, and are now enthusiastically demonstrating trial leaps to their colleagues in electoral blocs in order to capture the top positions on the qualifying list.

As far as the designs are concerned, they are perfect. That is to say, each trampoline has been tailored to the needs of the designer himself. The trampoline of the nomenklatura, tall and made for the shortest leap without any particular swinging, was introduced especially for individuals with heavy behinds benumbed from sitting, to whom hopping into the chamber of the Supreme Council is like walking from their office to the room next door. Only in Galicia will there be trouble with this design: Because of a lack of materials, the trampoline was built on rotten supports, and the deputy careers of the few courageous members of the nomenklatura may come to an end under its rubble.

The trampoline of the entrepreneurs is as simple as our economy. One of its ends is held by the sinews of labor collectives and the other by those of independent trade union organizations. Each candidate will choose the end to his taste. Before leaping, the catapulting mechanism should be well oiled. A group of disconcerted private owners and businessmen has nested somewhere in between the favorites of the labor collectives and the pets of the trade unions. The push in this place on the trampoline is going to be minimal whichever end is pulled—those who have trained may fly far enough....

The trampoline of the political parties is somewhat like its creators. It has three starting pads—left, center, and right. Some mechanisms of the trampoline remain a mystery to the designers themselves. The function of most parts changes daily. Since the parts are worn out due to the frequent change of aim, they have to be tied together by ropes or nailed down. Nobody can say with certainty which mechanisms hamper the leap and which give it an impetus. Perhaps all the mechanisms will be turned off at the same time for the elections, provided, of course, that the trampoline does not fall apart before then.

Given the differences in leaping techniques and competitive tactics, each group of the candidates is training separately. POST-POSTUP intends to familiarize its readers with the peculiarities of this process.

Entrepreneurs

Three all-Ukrainian associations of entrepreneurs are getting ready to run. The USPP [Ukrainian Union of Industrialists and Entrepreneurs] team appears the strongest among them. After Leonid Kuchma and Volodymyr Hrynyov got together, the USPP has succeeded in bringing in some private businessmen, which will undoubtedly create for it a favorable reformist image and fill the coffers of the union with capital from businessmen. The clear-cut pro-Russian orientation of Leonid Kuchma, the new president of the USPP, makes the bloc reliable on the preelection menu of the eastern and southern region of Ukraine. The chances of candidates from the USPP bloc are estimated to be better than of those who went to other associations of entrepreneurs—the All-Ukrainian Association of Entrepreneurs of Serhiy Babych and the Union of Private Owners and Entrepreneurs established with the participation of Volodymyr Lanovyy, the former deputy prime minister with the still untarnished reformist image.

In combination, the Lanovyy and Babych blocs will offset the obvious superiority of the USPP somewhat. The disproportion would have been catastrophic had Lanovyy not secured support from the Oleksandr Mril free trade unions. This combination guarantees him fans during the duel with Kuchma: Both blocks are betting on the "labor collectives." The power over labor collectives which state directors from the USPP are easily retaining both through the "aktiv" of enterprises and thanks to resort vouchers, hospitals, and waiting lists for housing is counterbalanced by the independent trade unions from Lanovyy's bloc, which have painlessly reorganized their primary chapters into labor collectives. A "labor collective" cuts both ways. It is an ideal trampoline for the "director's man," where democratic trade unions do not exist. However, the labor collective is a director's headache in districts in which the free trade unions have grown in strength. Nonetheless, it is expected that Lanovyy's people will be successful in just 12 electoral districts populated mostly by miners, taking the deputy seats from the USPP.

At least two intense clashes between USPP directors and trade union organizations are known—in Krivoy Rog and Pervomaysk, where Vasyl Yevtukhov, current deputy prime minister, and Mykola Surhay, current head of the State Committee for the Coal Industry, grasped with surprise that they will have a problem getting nominated by the labor collectives of miners, although they were not able to link this phenomenon, an unpleasant one for them, with their behavior during the miners' strikes. The main battles between the free trade unions and the director's tank are expected to break out

in the Donbass, where Markulov's Liberals and the Labor Party will interfere with dividing up the election pie.

It is hard to imagine a more fortuitous tactical combination than the alliance of the free trade unions and bankers from Praveks and Inko which has been devised by Lanovyy. Having grasped the futility of efforts to stand against the USPP alone, Lanovyy opted for the only possible line of behavior whose chances to be effective will improve by reason of a strike scheduled by the trade unions for 18 January. It is precisely 18 January that may advance Lanovyy to the center stage of Ukrainian politics.

Parties

The party life of the democrats is full of contradictions. Each one of them demonstrates devotion to the idea of a single bloc, while stressing at the same time that such a bloc is hardly possible. Some, dispensing with preelection agreements, have gone to look for greener pastures in districts prepared beforehand, maneuvering between the need to demonstrate adherence to the ideas of private enterprise and the temptation to scold the entrepreneurs before the voters, most of whom view businessmen as "thieves" and "speculators." It appears that participants in the center-right Council of Democratic Parties and Organizations of Ukraine, the creation of which was memorable at the last Rukh congress, are now more concerned about the division of funds from the diaspora; failure to apportion them is preventing the ultimate breakup of the council.

Les Tanyuk said: "Many problems of the association are related to the KNDS [Congress of National-Democratic Forces]—an organization created to break up Rukh. The so-called All-People's Rukh of Larysa Skoryk, which is a direct alternative to People's Rukh, also emerged from the recesses of that organization. Many KNDS leaders believe that the democrats have reared a Mazepa out of Kravchuk. If people from the URP [Ukrainian Republican Party] understand that they have been fooled, the array of national-democratic forces will possibly be broadened. Everything depends on the degree to which these forces distance themselves from the president. Painful disappointment awaits them otherwise." Of course, it is hard for Tanyuk to forget that some people from circles close to the KNDS were privy to his persecution as a "KGB agent," and also that the leader of the Republicans attacked Vyacheslav Chornovil on television right before the 1991 presidential elections.

Larysa Skoryk, chairman of All-People's Rukh, does not believe in consolidation of the democrats for the elections. She calls the democrats' promises not to fight one another in electoral districts "declarations backed up nothing." Mrs. Skoryk asserts emotionally: "I am telling you that this will not happen. There will definitely be several candidates from various democratic groups per district, especially in Galicia." In view of the fact that the KNDS is used to paying attention to the reflections of

Larysa Pavlivna, the paralysis of the council may be explained from this point of view, if no other.

To skirt the "points of conflagration" in the council and free itself from the trouble of settling adversarial situations in the electoral districts, the leaders of Rukh appear to have found a quite mild outcome which, it appears, Oleksandr Kibza, an adviser of the department of political analysis of the organization, has been charged with releasing. He said: "We are planning to give regional organizations an opportunity to themselves decide which candidates to nominate and support."

Old conflicts and misunderstandings are superimposed over the severe realities of the present day: It is hard for the center-rightists to come to a compromise in dividing up their traditional electorate in the western region (Galicia) and Kiev. Some observers believe that approximately seven candidates from the democrats will contend in the rural areas of Galicia for one mandate, and 15 candidates in the cities. In Kiev, out of 2,500 contenders for candidates which are expected to be registered by the electoral commissions of the capital city until 27 January, the center-right will "field" only 100. It is quite possible that some leaders of the center-right, having returned from a futile tour of Galicia, will compete among themselves in Kiev. Only Oles Shevchenko, who will run in Tarashcha, in the vicinity of Kiev, and Dmytro Pavlychko, who considers the area of Kanev to be the best jumping-off point, have given up the capital.

Kiev has prepared a few more presents for the voters, which could also have been expected. Semen Yufa, chairman of the Mercuriy company, which is widely known in the capital city, will most likely be a candidate in Chervonoarmiyskyy Electoral District, in which Yuriy Kostenko won the previous election. So far, people willing to compete with him are not in evidence, just as there are none who want to try their luck in a game against Ivan Saliy. The "Podol wolf," who has organized his own Choice, not only draws on the favorable position of KIYEVSKIYE VEDOMOSTI but also impresses competitors with the directness of his drive for power, a directness which, in combination with the methods for persuading competitors, will be sufficient for Saliy to win with no opposition.

The flight of the left wing of Ukrainian parties is not endangered by surprises. Although Yevhen Marmazov, deputy chairman of the Communist Party of Ukraine, says that "the Communists will not form a bloc with anyone, but all of us—the Socialist Party, the Communist Party, and the Peasant Party—will help one another," his "other party comrades" consider the issue of creating a left bloc already resolved. People's Deputy Valentyn Trizna projects: "The time for the left bloc to gain power has now come. I think that it will win the elections." The possible "drain" of votes of the electorate by the Hrynyov-Kuchma bloc causes a certain alarm among the "left." Nevertheless, the "left" do not avoid discussions with this bloc. A certain outline of anti-Kuchma theses in the electoral program of the

Socialists may be found in the words of Oleksandr Moroz: "The panacea for all misfortunes—privatization—which was advocated by both the Fokin government and in particular the Kuchma cabinet, has fully discredited itself. They brought our society to the brink of catastrophe."

However, such theses of the left are not the foundation of their electoral platform. Their leaders engage in anti-Rukh propaganda with energy worthy of a better cause. Yevhen Marmazov said: "The blockade of the Communist and Socialist Parties, of those who do not subscribe to the positions of Rukh, is real."

Anticommunism remains the core of Rukh's propaganda. Chairman of People's Council Ivan Zayets said: "People are already beginning to understand that the system of power which is embodied and implemented by the procommunist forces is to blame for all these troubles." Both party leaders are much more reluctant to acknowledge a paradoxical situation whereby the nomenklatura succeeds in "swinging the pendulum" from the Communists to the Rukh people and the other way around while remaining in the shadows in the process. Marmazov said: "Perhaps Kravchuk is indeed trying to put the Communists and the Socialists at odds with the nationalists. However, I consider it more probable that they are not trying to put us at odds, they are simply isolating us." Ivan Zayets: "Indeed, the arrows which the democrats now shoot at the party of power ricochet in the direction of the Socialists and the Communists." However, the two antagonists recognize that the method of "swinging the pendulum" is a quite effective nomenklatura technique to ensure its victory in the elections.

The Nomenklatura

Changes in the structure of the nomenklatura indicate that Kravchuk's group has suffered a defeat at almost all its positions. This is significant for Ukraine not only because it is certainly the only country in the world in which elections of the executive authority are carried out by the executive authority itself, with the latter calling elections and forming electoral commissions, but mainly because the Electoral Law approved suits only the apparatchiks of the local councils—Plyushch's nomenklatura. This conclusion has become obvious following the adoption of the Electoral Law whose draft called for 50 percent of the members of the TsVc [Central Electoral Commission] and OVK [district electoral commissions] to be appointed at the hand of the president, whereas in the law, the appointment of TsVc and OVK members became the prerogative of the Supreme Council and local councils, that is, the "party" of the speaker. It was ultimately determined "who is who" after Ivan Plyushch stated at an all-Ukrainian meeting of representatives of the president that "the institution of local representatives of the president is ineffective."

The intermediate results of the confrontation between the nomenklaturas of Plyushch and Kravchuk, the difference in whose territorial and clan backgrounds has

been clear for a long time now, the imbalance which has developed in relations between them, as well as Kravchuk's open attempt to draw on the USPP and the unheard-of fiasco of his calculations indicate that his "party" has no chance of winning the elections. With the exception of the official FPU [Federation of Trade Unions of Ukraine] and several groups in the KNDS and the VsRU [All-People's Rukh of Ukraine], virtually nobody supports the president's nomenklatura. And even this support appears ephemeral. The FPU, which is headed by Oleksandr Stoyan, a former adviser to the president, is being torn apart by internal contradictions; for different reasons, the Association of Trade Unions of the Lvov Area (headed by Rukh member Yaroslav Kendzyor) and the Association of Trade Unions of the Kharkov Area (led by the Socialist Viktor Chub) have expressed their disagreement with decisions of the council of the federation. If the FPU had a major influence on 20 million of its members, any opportunity for other political forces would be altogether out of the question. The activity of small pro-presidential political groups is generally restricted to the vigor of Larysa Pavlivna.

Plyushch's nomenklatura has better insurance against a defeat in the elections than any other political force. Each point in the Electoral Law is a step toward the Supreme Council. The already mentioned infamous "labor collective" is the "horse" which is supposed to carry the nomenklatura people between the rock and the hard place—the desire to obtain loans and opposition to market-oriented transformations. The Electoral Law does not define the labor collective at all. Two other laws, the Constitution and the Code of Labor Law, provide either the ideological or the production-oriented definitions of the labor collective, and neither codifies the political role of the labor collective. Sick days, waiting lists for housing, allocation of mineral fertilizer, and the plowing of auxiliary plots are the best starting conditions for the "party of the nomenklatura."

Even if a director, kolkhoz chairman, or commander of a military unit wishes to become a deputy before retirement, the law also envisions a soft "way out." Unlike the draft law, which envisioned that public servants may run "if they resign from their post no later than four months before the day the elections are held," in the law (Article 2, Point 5) this provision has magically changed—public servants "may be registered as contenders for candidacy if at the time of registration they submit to the district electoral commission a statement of consent to their dismissal from the position in the event of being elected people's deputies of Ukraine and a statement on the temporary suspension of official powers for the duration of the election campaign." Therefore, the law does not mention the resignation of a deputy before the beginning of the election campaign.

If we disregard the touching desire of the current community of people's deputies to protect their director colleagues against the loss of their positions in the event of losing the election, the goal of this "innovation" in the

law becomes more transparent: It is hard to imagine that any "young worker" will have the slightest desire to come out against the director at a conference of the labor collective. The director may return after failing at the elections.

However, the resourcefulness of the nomenklatura is not limited solely to the nomination of candidates by labor collectives. Article 11 of the law regulates the boundaries of electoral districts. In keeping with the decree of the Central Electoral Commission, the average number of voters in a district should amount to 86,600. In keeping with the same law, deviations in the number of voters may not exceed 12 percent. However, if we analyze the Decree of the Central Electoral Commission, dated 17 December 1993, On Electoral Districts for the Election of People's Deputies of Ukraine, well over a hundred violations of the law may be found there. For example, Pivdennyi Electoral District in Kiev has 66,200 voters, Troyeshchinskiy District—108,600. In Sumy Oblast, Zaliznychnyy District has 112,400 voters, Trostyanetsky District—61,400; in Lugansk Oblast, Lisichanskiy District has 110,100 voters, Lutuginskiy District—62,300. Certainly, the gentlemen from the Central Electoral Commission do not know how to calculate 12 percent.

Readers not privy to the secret are surprised: "What difference does it make?" However, try solving a riddle: Where in Kiev Oblast will Ivan Plyushch run—Belaya Tserkov, which has 99,400 voters, or Baryshevets, which has only 64,400 voters? You guessed it. On the other hand, in Galicia, where the nomenklatura has almost no chance of winning the elections, deviations in the number of voters do not exceed those specified in the law.

"Trifles" such as "officials [word illegible] on consent to being relieved from positions in local self-government shall have no right to come out in support of a particular candidate, party, or electoral bloc" (Article 36 of the draft) have disappeared from the draft law. A very important section on financing the election campaign is also gone; its draft included many norms which did not allow abuse of the election campaign, in particular, the amount of 500 times the minimum wage as the personal electoral fund of a candidate for deputy, the procedure for remitting funds, and the refusal of candidates for deputy to accept "gifts." Out of a total of 15 points, only eight remain in Article 36; this is an excellent opportunity to compromise a person or, quite the opposite, make him a deputy. It was announced on an oblast TV program that a company, the dubious nature of whose capital is common knowledge in the region, had resolved to give one of the current progressive deputies of parliament a few tonnes of paper as a "gift." They said that the deputy lost his mind before he managed to announce his rejection of the "gift" on that same television; the people had the pleasure of listening to it between 2400 and 0100....

However, unrestricted financing for runoff elections, which promise to become the main point of the elections

in view of the number of those eager to get a taste of the deputy's life, became a particularly strong move on the part of the nomenklatura. Funding for the second round of elections is not regulated in any way. This gives those who have money a splendid opportunity to manipulate the elections, and the "party of power" has an opportunity to frustrate the runoff elections if democratic candidates get through to the second round. It would suffice to mount an "explanatory effort" among the masses, and elections will not be held.

Finally, under the circumstances it is surprising that this parliament will operate on a professional basis. Nothing stood in the way of the nomenklatura using the need for an "inseparable bond with the masses" as an argument in favor of the right of a people's deputy to work in production. However, rumors about the number of supporters of combining the art of kitchen maid (on the principal job) with that of parliament member (during time off from the principal job) increasing catastrophically in the Supreme Council may yet come true in some masterpieces from the electoral kitchen.

Tatar Leader Explains Stand on Crimea Elections
944K0584A Moscow PRAVDA UKRAINY in Russian
11 Jan 94 p 2

[Interview with Mustafa Dzhemilev, chairman of the Mejlis of the Crimean Tatar people, by Olga Pronina; place and date not given: "I Told Kravchuk That I Know What Democracy Is. I Served 15 Years For It"]

[Text] We met with Mustafa Dzhemilev, chairman of the Mejlis of the Crimean Tatar people, immediately following a session of the Presidium. The third in the past week, and not, by all accounts, the last, since the question of the Crimean Tatars' participation in the presidential elections has yet to be decided. The appeal to the people to boycott these elections has been suspended, meanwhile.

[Pronina] Mustafa-aga, on New Year's Eve you met with Leonid Kravchuk, president of Ukraine, and on 2 January the Mejlis announced a boycott of the elections for president of Crimea, although the Congress of the Crimean Tatar People had adopted a directly opposite decision. Is there some connection here?

[Dzhemilev] You do not have it quite right. The question of elections to the Supreme Soviet, where we are allocated a particular quota, for which I voted myself and called on others to do likewise, was considered separately at the assembly at that time. As were, separately, the presidential elections. As far as the latter are concerned, I have been opposed from the very outset since I am convinced that neither the Crimean Tatars nor people of other nationalities are, if it is viewed realistically, interested in the institution of a presidency in Crimea.

The presidency is only for a particular group of people, which aspire to the creation of a strong power for the solution primarily of their own problems. I pointed out

in my report at the assembly that the Presidential Election Act was adopted by the Supreme Soviet of Crimea, which we did not elect, and on the basis of a constitution which we consider unacceptable for ourselves and which entirely ignores our legitimate sovereign rights. But at the same time, considering the alignment of political forces that is shaping up (there is a great evil and a somewhat lesser evil, which is mirrored in the fact that people wholly of the Zhirinovskiy level are straining after power on the peninsula), we are allowing of the possibility of use of the votes of Crimean Tatars in the election of the least of all the evils. The assembly's decision was, therefore, a compromise.

Although there was mention of the unacceptability of the institution of a presidency in principle, the final decision on participation in the elections was at the same time left to the Mejlis. We are prepared to support the candidate who honestly declares the indivisibility of the evolved borders, that is, allows no mention even of a reconsideration of the question of the current territories of Ukraine and Russia and the affiliation of Crimea, inasmuch as our people see their self-determination in a national-territorial autonomy within the framework of Ukraine. He must be a candidate who will at least state that he sees the strengthening and restoration of Crimea's statehood on the basis of respect for the Crimean Tatar people's right to self-determination on their territory.

[Pronina] Judging by the decision of the Mejlis, none of the present presidential candidates as yet meets these requirements?

[Dzhemilev] We have had discussions with many politicians, with candidates for the office of president included. I should say, incidentally, that as of late everyone has greatly loved the Crimean Tatars, and even Leonid Grach, the candidate of the Communist Party, sent his people to us, via whom he promised the positions of deputies in all the rayon soviet executive committees if the Crimean Tatars vote for him. So it was that, having analyzed all the election programs and having assured itself that not one of our conditions is observed in them, the decision not to take part in the elections was made after stormy debate at the Mejlis Presidium session on 2 January.

But I had a meeting, which took place after the decision of the Mejlis, with Nikolay Bagrov, and some of our comrades believe that we should take part in the elections for all that. Because there is a real danger that instead of Nikolay Bagrov, whom they consider the lesser evil, real extremists could come to power. It is these members of the Mejlis who are insisting that the decision be reconsidered. After two days of stormy debate, a decision to boycott the elections was adopted all the same. But on 5 January 12 members of the Mejlis submitted to me, in accordance with the standing orders, a petition requesting the convening of a new session and a conclusive decision on the matter on 8 January and for the appeal to the people to be suspended meanwhile.

[Pronina] So Nikolay Bagrov's candidacy was, for all that, preferable to the others?

[Dzhemilev] Yes. All the other candidates, including, unfortunately, Ivan Yermakov, who declares that he would lift the moratorium on a referendum on Crimea's independence, could by their actions create an explosive situation on the peninsula before which the Dniester region and Karabakh could seem like just a game. And when barricades have to be built, a solution of the problems of the Crimean Tatars would go by the board.

[Pronina] Mustafa-aga, I would like to return to the start of our conversation—your meeting with L. Kravchuk.

[Dzhemilev] I was forced to tell him that I know what democracy is. I served 15 years for it, but a democracy where presidential candidates raise the question of a change in the current borders and a violation of the country's constitution I do not understand and do not accept. A self-respecting state should not be treating this with such nonchalance.

I spoke in great detail about the most difficult situation in which our people have found themselves and about the fact that the assistance which Ukraine allocates from its sparse budget should be more specific. All the monies that have been allocated us thus far have ended up with the Administration of Crimea. They have been used to create a parasitic managerial machinery. We have dozens of examples of this money being stolen and used for purposes having nothing in common with the return of the Crimean Tatars.

Ukraine has allocated us 240 billion karbovantry for capital construction in 1994. I asked L. Kravchuk to ensure that this money be channeled directly into the national bank which we have organized in order that we might purchase building materials with it and distribute them to people. A commission with the participation of representatives of the Administration of Crimea and the Mejlis, which would monitor its expenditure, should be created. Some 300-400 homes could, via trusts, be built with the amount allocated, and if the funds are distributed directly to the individual builders, we could resolve the housing problem for 30,000 families. Leonid Makarovich agreed with this and promised to render us every assistance here.

The president and I also discussed the enlistment of the help of other countries. Primarily Turkey, whose government is not indifferent to the lives of a kindred people. Prior to my meeting with Kravchuk I had an interview with the Turkish ambassador. He said that the matter could be resolved only with the participation of an official delegation of Ukraine, in which there should necessarily be representatives of the Mejlis. He promised to draw up a program indicating whom we should meet and how the questions of assistance should be decided, but on one condition—that the resources allocated go directly to the Mejlis, not the Administration of Crimea. L. Kravchuk agreed with this also, and such a visit will soon take place, I believe.

Bukovyna Political Line Up Characterized

944K0567A Lvov POST-POSTUP in Ukrainian No 48,
30 Dec 93-5 Jan 94 p A5

[Article by Volodymyr Stefanets, Chernovtsy: "Attempt To Cross-Breed a Few Rukh People With the Party of Power Ended Successfully in the State Nature Preserves of Bukovyna"]

[Text] Chernovtsy—Despite the territorial affiliation with Western Ukraine and the image of a nationally aware region, Bukovyna is in many respects a model of the situation in the entire state. The oblast has actively progressive western rayons and passively conservative eastern rayons. These specifics rooted in the historical divisions of the region between various empires only reinforce the negative trend toward an increase in the weight of regional candidates which is caused by the majority electoral system. Consequently in Bukovyna the most formidable basis might exist for the prediction that candidates will give in to the temptation of populist promises colored in keeping with the trends. In addition, it is recalled that during the previous elections the obkom [oblast committee] nomenklatura had no trouble in eastern rayons, where kolkhoz chairmen and Communist Party secretaries "made it" without a hitch, and committed all its propaganda efforts to the west, to Kitsmanskiy, Vizhnitskiy, and Zastavneviskiy Rayons. Little has changed since, except perhaps the fact that the democratic publications of the region call the eastern Khotinskiy, Kelmenetskiy, and Sokiryanskiy Rayons only the preserves, and no longer the strongholds, of communism.

In turn, Chernovtsy enjoys the reputation of a politically involved city, and even now many observers believe that the most severe struggle among contenders will break out precisely in the oblast city. Against this background, rayons in which Moldovans and Romanians (20 percent of the population of the oblast) are clustered, especially the recently created Gertsayevskiy Rayon, stand apart. Politicians are uncertain about the tastes of their residents. Some recall the December 1991 referendum in which an overwhelming majority of residents in these rayons voted in favor of Ukrainian independence. Others are concerned about the likelihood of the obstruction of elections by these territories, in which the chauvinistically disposed Eminescu Society subscribing to the position that "Northern Bukovyna has been Romanian land since time immemorial" enjoys a certain influence.

Religious factors may also influence the course of the election race and its result. Bukovyna is an area with traditionally strong Christian roots. Periodic flareups of the flame of confrontation between the Kiev and Moscow Patriarchates of the Ukrainian Orthodox Church may force members of the clergy to seek support from political entities and, accordingly, give them concealed support. Out of the three main denominations (the Ukrainian Orthodox Church of the Moscow and Kiev Patriarchates and the Greek Catholics), the lion's

share of parishes (over 300) remain with the first church, with the attendant consequences. Although the 50 parishes of the Ukrainian Orthodox Church of the Kiev Patriarchate are a quantitatively small force, one would think it to be sufficient to undermine the image of any contender.

Contenders themselves in Bukovyna, where almost 20 political parties, public organizations, and ethnic cultural associations operate, will represent considerably fewer political centers: the party of power, the NRU-KUN [People's Rukh of Ukraine-Congress of Ukrainian Nationalists], the DemPU-URP [Democratic Party of Ukraine-Ukrainian Republican Party], the SPU-KPU [Socialist Party of Ukraine-Communist Party of Ukraine], and the DSU [State Independence of Ukraine].

In the oblast, which is considered both agrarian and industrial, the party of power is realistically capable of controlling the votes of the electorate, particularly in rural areas. The nomenklatura proposes candidates from the power structure of the oblast—popular people who at one time were delegated there by the democrats. After all, it is known that elections establish their own rules of the game. Consequently, not wishing to become members of any party, these politicians may, in order not to lose support, face the option of running as independent candidates but with the blessing of the head of the local state administration.

In general, the situation on the eve of the election to the power structures is one of the most piquant in the community of Bukovyna's democrats—if for no other reason than the top leaders of regional Rukh, headed by its chairman Hryhoriy Manchulenko, hold positions in the oblast state administration. This may be the reason NRU spokesmen have so far been keeping the assessment of the activities of the local authorities balanced, thus incurring condemnation by the other wing of the democrats—the Congress of National-Democratic Forces. There is even the suspicion that the NRU has entered into an unadvertised alliance with the party of power.

Meanwhile, through almost all of November the NRU and the URP-DemPU called on one another to unite for the sake of opposing the neocommunists in the elections. This resulted in the establishment of the Zlahoda Committee of Democratic Forces. However, before it managed to get on its feet, DemPU leader Taras Kiyak announced, at its oblast conference, the creation of the Poryadok electoral bloc within Zlahoda. In addition to the DemPU, the URP, the "greens," the Prosvita Union of Officers, and farmers who have asked for associate membership in the DemPU agreed to join Poryadok. Having thus distanced itself from Rukh, DemPU merely gave the local mass media the occasion to ponder whether there would be less Zlahoda [accord] with such a Poryadok [order]. However, it appears that everything

blew over, at any rate, from the outside it appears that Zlakhoda has come to an agreement concerning election strategy and tactics.

Meanwhile, the DSU association and the Communists vigorously "reached out to the people." In the political array of Bukovyna, the DSU clearly sympathizes with the URP. Strict discipline and clear-cut slogans of the DSU, which are attractive to voters, fit in harmoniously with the objectives of the already mentioned bloc with the equally expressive name Poryadok. However, DSU leaders offer assurances that they have no intention at all of forming a bloc with anyone.

The recently held organizational meeting of the Chernovtsy city committee of the Communists testifies to their organizational activities. The "Reds" are clearly in a hurry to create structures before the election. They are being helped in this by the publication OBYEKTIVNAYA GAZETA, which is known for its criminal disrespect for Ukrainian independence and whose sources of financing are not known. The GAZETA is published and edited by Volodymyr Dovheshko, who is also the first secretary of the KPU oblast committee. Unlike the democrats, the comrade secretary long ago released lists, which his name heads, of candidates for deputies from the KPU. The KPU does not get along well with the local Socialists, who are hardly different from the Communists. That same Dovheshko just recently came from the ranks of the SPU. However, by all signs mutual relations far removed from "comradely" have developed between the two secretaries of the oblast committees of the KPU and SPU (Kostyantyn Kovelchuk is the leader of the Socialists in Bukovyna). The KPU is openly accusing the SPU of being soft on all "Bandera's followers." However, it is quite probable that this is merely a tactical device through which the KPU and the SPU want to gain a maximum of the votes of the electorate.

In the second 10-day period of December, a "roundtable" panel on "The Crisis in Ukraine and Ways To Overcome It" organized by the New Ukraine association met in Chernovtsy. New Ukrainians who created a center in local areas the year before last and who until recently did not make their presence known in any way suddenly became active. Doctor of Economic Sciences Ihor Shkola, professor of the University of Chernovtsy and cochairman of the local center of New Ukraine, said that he had agreed to the "roundtable" panel on the condition that specific measures for stabilization in the country will be worked out by it. The New Ukrainians of Bukovyna have made decentralization of the economy and the endowment of administrative territories with more extensive rights the cornerstone of their strategy. Here is why. In Bukovyna, New Ukraine is actively supported by the directors of local state enterprises, as well as leading personalities from the oblast state administration. For his part, Professor Shkola is one of the active supporters of a free economic zone whose concept has gone astray in the offices of Kiev but is quite popular in Bukovyna. Perhaps this idea may only be spoiled by

"Trojan horses"—candidates for deputies from the outside, mainly from the capital city. According to some reports, the functionary of the Cabinet of Ministers Buzduhan may become one of these candidates.

As far as the political associations of entrepreneurs are concerned, no information is available about them. However, almost all observers agree that the local business community will sooner or later articulate its program because even now it has several brilliant personalities in its ranks. Some of the entrepreneurs have probably already placed their bets on the candidates of national-democratic forces. There are reports about businessmen sounding out the positions of probable candidates from the party of power.

As far as predictions are concerned, candidates who are supported by strong, organized groups that have actually been created already although not proclaimed will win. On the other hand, candidates enjoying the patronage of the power structure will have a chance in rural rayons. After that, the democratic nominees will stand a real chance in Chernovtsy and one or two rayons of the oblast, whereas in other rayons, candidates of the party of power or those supported by it will win. However it will be possible to consider even this outcome of elections favorable, if it materializes, because the current deputies of the Supreme Council from Bukovyna which have been dispatched there by the late CPSU have for a long time now represented nobody aside from themselves. The move by which the KPU and the SPU want to get [published item ends in mid-sentence]

Party Leader Views Clinton's 'Coercive' Policy

AU1901190694 Lvov ZA VILNU UKRAYINU in Ukrainian
12 Jan 94 p 1

[Interview with Mykhaylo Horyn, Ukraine's Republican Party leader, by Ihor Pasichnyy; place and date not given: "Our State Must Become a Therapist of Imperial Moods"]

[Text]

[Pasichnyy] Mr. Mykhaylo, today's visit by U.S. President Bill Clinton to Kiev, the \$12 billion promised by him for assistance to Ukraine.... Does this indicate a change in the attitude toward our state on the part of the world's "mighty"?

[Horyn] It must be admitted that quite a number of Ukrainian politicians have been counting upon comprehensive support for Ukraine on the part of Western democratic states that will be happy to help us. We needed time for our society to become convinced that a Ukrainian state, about which dozens of generations dreamed and for which millions of patriots died, can only be built by our own efforts. It is only possible to create a favorable political climate in Ukraine when it stands on its own two feet concerning the economy and defense, and when it manages to convince its neighbors and the entire democratic world that it will ensure

stability inside the state and will thereby promote stability in the region and in the world. In that case, it would be political short-sighted to ignore us and not to establish mutually advantageous relations with us.

As regards the policy of the United States and some European states, it has undergone a certain evolution in a direction favorable for us. Earlier, there were calls for us to return to the "bosom" of the empire, and the new leader Bill Clinton tried to talk to us through ultimatums. Their policy with regard to the states of the former USSR, with the exception of the Baltic countries, was pro-Russian. This, in turn, stimulated leading Russian state figures to pursue a tough policy with regard to Ukraine. There even were territorial claims. It must be pointed out that this was always encouraged by the unprincipled policy pursued by our government and president.

[Pasichnyy] After all, we remember quite well George Bush's visit and his speech at the Ukrainian Parliament in which he openly called upon us to return to the empire. Or the present position of President Clinton, a position that is openly coercive....

[Horyn] They expected that the young state would yield to such powerful pressure.... However, our parliament had enough common sense to state: We will not fully disarm ourselves, because we do not possess guarantees for Ukraine's security as an independent state in what concerns its borders and territorial integrity.

The refusal immediately to give up nuclear weapons was an extremely clever step on the part of the Ukrainian external policy, as it drew the attention of the entire civilized world to Ukraine. The world started thinking: What sort of state is Ukraine, why does it refuse to give up its nuclear weapons, how does it motivate its position, and to what logic do its politicians adhere. There arose a problem of imperial threat on the part of Russia, and our northeastern neighbor acquired the image of an aggressor. The Western mass media steadily spread this idea and, as a result, in recent months, there appeared a change for the better in the attitude toward Ukraine. We became an object of a thoughtful U.S. policy, and, finally, Washington realized that the giant state in the center of Europe required a proper attitude toward itself. This does not mean that today's U.S. policy has become pro-Ukrainian. However, we have not freed ourselves from pressure on the part of the United States. Clinton's planned trip to Moscow is quite telling. However, now Clinton demands that we dismantle our nuclear weapons in exchange for compensation. It will depend upon our president whether he will manage to convince Clinton that the best security guarantee for Ukraine would be to retain those 46 strategic missiles until all nuclear states disarm. However, it must be admitted that we are no longer being totally ignored.

[Pasichnyy] I agree with you, but I want to remark that Clinton arrived in Kiev in order to offer us assistance in

dollars. However, he does not want to guarantee our security. We cannot count upon assistance from the United States or NATO in the case of Russian encroachments....

[Horyn] Recently, I had a conversation with a German deputy defense minister, who stated that they are not interested in the existence of a strong Ukraine. Such frankness was nothing new for me. Back in Soviet [prison] camps, Levko Lukyanenko [Ukraine's Republican Party leader] and I foresaw such a turn of events.

Well, this high-ranking German official explained his idea in approximately this way. Ukraine is presently in a state of crisis. We do not have enough food. However, some 10 years will pass, and our state will finally be standing on its own two feet. It will be a competitor on European agricultural markets. At the same time, traditional exporters, such as Germany and France, will find themselves in a difficult situation....

I replied to those arguments by saying that had Ukraine remained within the empire, the entire Europe would have been compelled to spend huge amounts of money on armaments in order to insure themselves against the imperial threat. Europe would have trembled before the Moscow empire as it did after World War II.

Ukraine is not only a dream of the people and the form of their survival. Ukraine is a factor of stability, peace, and de-imperialization in Europe. Ukraine must become a therapist of the imperial moods that prevail among the Russian people. The recent elections in Russia are disturbing.

[Pasichnyy] After all, the consequences of the recent elections in Russia have again placed before the world a threat of direct invasion from Moscow. Chauvinism is still alive, and it has now acquired features of communo-fascism....

[Horyn] Yes, they showed that it is not only the ruling circles in the Kremlin that are infected with the virus of imperialism. Many Russians display deep nostalgia for the empire, because its very existence raised our neighbors in their own eyes.

The results of the elections in Russia have also contributed to a change in orientations in the West's attitude toward Ukraine. Instead of diktat, we see a striving for a dialogue.

[Pasichnyy] Pan Mykhaylo, you, as chairman of Ukraine's Republican Party, are a candidate for deputy of the Supreme Council at the coming elections. What is the attitude of the Republicans toward Ukraine's nuclear status?

[Horyn] We believe that the very fact of nuclear missiles in Ukraine is a guarantee for us and a warning for all of our neighbors that they should refrain from playing with fire. We are not opponents of disarmament and we are not against dismantling those missiles whose service life

has expired. However, in our opinion, 46 missiles must be left and dismantled only after all nuclear powers make identical steps.

One more thing. Russia, after it received from us a large number of medium-range missiles, has not to this day paid us for the nuclear fuel—this sum constitutes several billions of U.S. dollars.

I, for example, do not agree that, while dismantling the nuclear warheads, we should also be compelled to dismantle the missiles themselves. They are our separate property—they were built at our factories. We will be able to use them to protect ourselves from territorial encroachments by aggressors.

I hope that the president will not hasten to sign the necessary documents that would fully disarm Ukraine. It would be an irreparable blunder.

Republic's Nuclear 'Ambitions' Discussed

944K0527A Kiev URYADOVYY KURYER in Ukrainian
11 Dec 93 p 5

[Interview with Candidate of Legal Sciences A. Buteyko by an unidentified URYADOVYY KURYER correspondent; place and date not given: "Ukraine's Nuclear Ambitions. Do They Really Exist?"]

[Text]

[Correspondent] The world is widely commenting on the well-known decision of the Ukrainian parliament concerning the ratification of START I. Unfortunately, there also are assertions that Ukraine, allegedly, has ended up in international isolation and put itself in opposition to other countries that follow the path of nuclear disarmament. What is the situation as you see it?

[Buteyko] Yes, indeed, there are ill-wishers in various countries, in particular in our neighbor to the northeast. Actually, everything is by far not as unambiguous as some people would like. At a meeting of the CSCE ministers of foreign affairs Russia attempted to have a decision adopted that could have indeed isolated Ukraine. However, they did not succeed at doing that. Another attempt was made in Brussels, at a meeting of the North Atlantic Cooperation Council, with the same result. This is why at present some Russian politicians, possibly being guided by election-time motives, make statements leveling accusations at Ukraine and point toward the international community that supposedly also condemns the decision of our parliament. However, there is, of course, no documentary proof of such condemnation. On the contrary, the facts testify that, although some states experience absolutely understandable uneasiness, others view our position with understanding. The world waited for a first step toward a genuine nuclear disarmament, toward a genuine liberation of humanity from the nuclear monster. Everyone wanted this to happen as soon as possible, as the saying goes, the day before yesterday.

One does not have to be a prominent professional to understand that disarmament is no simple matter. It necessitates considerable expenditures, additional material resources, technologies, and production capacity, i.e. precisely the factors that are in very short supply in Ukraine to begin with. This is why the decision of the parliament was justified although, as far as I am concerned, somewhat different, more acceptable wordings could have been found. However, the key provisions of the decree of the Supreme Council are fully in the national interest of Ukraine.

I will note that the nature and content of this particular decision were also predetermined by the position of some countries of the world. What do I mean? The issues of guaranteeing our security, the issues of providing technical assistance, of compensation for nuclear material placed in the warheads have been repeatedly raised by Ukraine before the states of the world. Of course, had we been accommodated, executive power and the president himself would have had more arguments in order for the members of the parliament to accept different wordings.

[Correspondent] We would like to specify what the main content of the accusations that some are now leveling against Ukraine is.

[Buteyko] One of the main accusations is that we supposedly violated obligations to destroy nuclear weapons before certain deadlines in keeping with START I that we have assumed under international law. However, in this instance our ill-wishers count on people who are simply not knowledgeable about the area of international law. Certain principles have long emerged in relations between states according to which, as a rule, obligations and rights are linked. If a state assumes certain obligations to other parties, at the same time it also acquires rights that safeguard its interests. The nature of the obligations and the procedure for assuming them are regulated by the 1969 Vienna Convention on the Law of International Treaties. It clearly states that a state may assume obligations by way of concluding agreements that take effect and, accordingly, become legally binding documents after they are signed. However, an agreement may envision another track—ratification, i.e. an act of parliament. If we look at START I and the Lisbon Protocol, to which our opponents refer, these documents provided specifically for ratification. Therefore, obligations for Ukraine arise only after the Supreme Council votes in favor of them and the treaties take effect. For now, we may state that they have not taken effect and Ukraine does not have—I will stress this—any obligations under international law in this area.

[Correspondent] They refer to the well-known declaration of the Supreme Council about Ukraine intending to acquire nonnuclear status in the future and the Declaration on State Sovereignty....

[Buteyko] Yes, it is so, but the documents mentioned were unilateral acts of the state, and they may be classified as those merely proclaiming the objective; by

no means can they be viewed as obligations of Ukraine under international law. Besides, they contain no mention of definite deadlines, or anything else.

[Correspondent] As is known, at a certain point, or more precisely on 7 May 1991, Ukrainian President L. Kravchuk sent a letter to U.S. President Bush in which he expressed the idea about the obligation of Ukraine to destroy strategic offensive nuclear weapons within seven years.

[Buteyko] Indeed, there was such a letter. However, I would like to stress once again that this was a unilateral political act on the part of Ukraine. Obligations of a political rather than legal nature are at issue. For some reason, those who quote this letter turn only to its first part, forgetting that it also has a continuation. Specifically, the letter clearly says that upon the ratification of START I Ukraine will honor its obligation to destroy strategic nuclear weapons before the deadlines envisioned by the treaty and, I stress, within the context of the Declaration on the Nonnuclear Status of Ukraine. In particular, the treaty envisions that it will have effect for approximately one-third of the entire nuclear arsenal of the former Soviet Union. Therefore, the Lisbon Protocol provides that the four nuclear states—Ukraine, Russia, Kazakhstan, and Belarus—should conclude an agreement among themselves under which they will divide this number of nuclear delivery vehicles and warheads that are subject to destruction. However, Russia has refused to do this, refused to even proceed to negotiate this.

Supplements to the letter concerning the destruction of nuclear weapons within the context of the Declaration on the Nonnuclear Status of Ukraine should be interpreted under international law in keeping with the norms that exist in the already mentioned Vienna Convention. This means that we should look at what even the political obligation assumed by the president of Ukraine is about. The sense of it is that nuclear weapons are located on the territory of Ukraine that were not manufactured by us but were inherited by Ukraine. Ukraine will destroy them by way of participating in START I whereas the remainder of the nuclear weapons that are not covered by the treaty will become the subject of negotiations with other interested states. In addition, we should note that the Declaration on the Nonnuclear Status of Ukraine envisions that we will destroy these nuclear weapons in line with our financial, technical, organizational, and legal potential, as well as proceeding from the need to ensure ecological security. The problem should be viewed in this very context: Are we capable of destroying all nuclear weapons in two, three, or seven years in our specific situation?

Therefore until START I takes effect, Ukraine has no obligations under international law. All accusations, including those found in the declaration of the Russian Government, are completely groundless.

[Correspondent] There is a lot of talk about whether Ukraine owns nuclear weapons. However, they reproach us, as does Russian Minister of Foreign Affairs A. Kozyrev, for Ukraine suddenly wanting to become the owner of nuclear weapons.

[Buteyko] Empires have fallen apart many times in the history of civilization. Humanity has developed norms that regulate issues associated with the emergence of new states on the rubble of empires. This is what it is about. Two Vienna conventions exist concerning the legal succession of states with regard to treaties, and legal succession with regard to state property, state debts, and archives. Specifically, they provide that in the event of the emergence of a new state (or several states) everything located in their territories becomes the property of the new state or states. In keeping with these international norms, the Ukrainian Supreme Council passed the well-known decree as early as 12 September 1991 in which it was laid down that all assets, including financial resources, of all enterprises, offices, and organizations reporting to the Union became the property of Ukraine. The same applies to strategic nuclear weapons.

At the time, nobody objected to this. Over time, the thesis about Ukraine as the owner of nuclear weapons was also confirmed in other agreements signed and concluded within the framework of the CIS. Even the agreement on creating the CIS said the states will exercise joint control. Subsequently, an agreement between Belarus, Kazakhstan, Russia, and Ukraine, dated 21 December 1991, also said that the states assume such and such obligations with regard to nuclear weapons.

How could Ukraine have assumed obligations with regard to an object that was not its property? It is nonsensical. Therefore, even then it was recognized that Ukraine is the owner of these weapons.

Besides, there was another string of agreements, in particular, two about the status of strategic offensive forces within the framework of the CIS in which Ukraine also acts as the owner of the components of nuclear weapons deployed in its territory.

[Correspondent] Does it follow from this that Ukraine is a nuclear state, or not?

[Buteyko] This is a quite complicated question. Usually, they talk about nuclear or nonnuclear states, that is, as if there were no third. However, it is paradoxical that in the case of Ukraine this dilemma does not exhaust the entirety of factors. In the Nuclear Nonproliferation Treaty itself, there is an indirect definition of a nuclear state and a state that does not possess nuclear weapons. Nobody envisioned in this treaty that states might appear which would inherit nuclear weapons, as happened in our case. Ukraine has not produced or tested a nuclear device, it has no technology for producing nuclear weapons, it does not even control the weapons because the nuclear button is located in Moscow. Therefore, it so happens that Ukraine is an owner of nuclear weapons but is not a nuclear state in the full sense of this

term. This is a unique situation that is not envisioned by existing international agreements.

In view of this, Ukraine should manage the weapons as material valuables. We are accused because of the Supreme Council failing to join the Nuclear Nonproliferation Treaty. However, if this were to happen now, in this situation, when Russia did not go for an agreement on compensation for tactical nuclear weapons that had been removed previously, it would turn out that Ukraine is forsaking its right to compensation for fissionable materials that are placed in the warheads. It would have to give the weapons to Russia unconditionally. Can we really agree to this? We have already had the case of tactical nuclear weapons; we have already had an agreement on the division of the property of the former Union abroad. We got zilch by virtue of that. However, the goal of achieving the nonnuclear status of Ukraine exists, nobody has canceled it; I am convinced that a relevant decision of the Supreme Council will be approved.

[Correspondent] The idea is widespread that nuclear weapons in Ukraine threaten us with a new Chernobyl, and that we are not capable of ensuring proper oversight of nuclear warheads. Therefore, the sooner we give them to Russia the better it is for us.

[Buteyko] The safety of nuclear charges should be ensured by the producer—Russia. We had an agreement on warranty inspection and servicing of nuclear missile complexes by the manufacturer last year, which was also confirmed during negotiations between the presidents of Ukraine and Russia. These agreements should be complied with. I am convinced that both parties will be wise enough to honor their obligations. If this were suddenly not to happen, we should know that danger would loom not just for Ukraine. In this case, such a situation could be the subject of consideration by the UN Security Council. Negotiations are now underway both with the United States and Russia concerning security guarantees, financial and technical assistance, and compensation. I believe that we will manage to come to agreements that will be acceptable to Ukraine and other states.

Ukraine is a peace-loving state; it does not threaten anybody, and this is understood in the world. In particular, our neighbors the Poles stated during a meeting of the Consultative Committee of the Presidents of Ukraine and Poland that they perceive with understanding the position of Ukraine and the decision of the parliament as the first step along the path toward achieving the nonnuclear status.

In turn, we understand the uneasiness of some states because of this problem. A recent conversation between L. Kravchuk and U.S. President Clinton touched on exactly the readiness to find mutually acceptable solutions.

I think that the development of events will follow this very path.

Nuclear Accord Evaluated

944K0593A Kiev NEZAVISIMOST in Russian
 14 Jan 94 p 2

[Article by Gennadiy Korzh: "Had President Kravchuk..."]

[Text] The Ukrainian flag seemed to have become hopelessly entangled in the flagpole line. Someone of the journalists waiting on the air field for the plane carrying the U.S. President pointed this out to a guard—let your bosses know. The guard replied irritably: There is a special person responsible for the flag. And, lo and behold—the man "in charge" soon appeared, and the flag was fixed. All of this reminded me very much the situation of our state, which has become "entangled" in a multitude of economic, political, and other problems. Except that we are still waiting for the man "in charge" to fix the situation.

It does appear, however, that an attempt was made that evening in Borispol to deal with one of the most burning issues of modern times—nuclear disarmament. President Clinton, for instance, quite justifiably lists it among the problems that came into existence because of the end of the cold war. This knot has been tightened even more lately.

In your opinion, what is the image of the Ukrainian people in the eyes of the ordinary man in the West? Undoubtedly they are seen as aggressive, trouble-making, and with double standards. This is not surprising. Over the past few years people in the West have heard about Ukraine almost exclusively in connection with two conflict situations: nuclear weapons and the Black Sea Fleet.

The West does have reason to be jittery. After all, Ukraine has in its possession no less than the third mightiest nuclear arsenal in the world. It is obvious why the American President's statement that those 176 missiles and about 1,500 warheads will be eliminated on our soil became a sensation: These missiles were not aimed at nothing—they were aimed at the United States. Russia conducted its propaganda quite successfully by playing up this factor.

Still, the greatest contribution to creating this negative image of Ukrainians in the world was... our own doing. A Ministry of Defense officer of my acquaintance, who is closely involved in nuclear armaments issues, once remarked bitterly: "These days every politico wants to play the nuclear card." This was quite noticeable when our independent state was making its first steps. At that time, unfortunately, Ukraine's foreign policy was being generated not by MFA ((Ministry of Foreign Affairs) professionals but by parliament members not versed at all in serious policy matters, let alone military ones. Having crowed to the entire world that Ukraine would not join any bloc and would maintain nonnuclear status, they counted on "compensations, subsidies, and investment" flowing to us in a steady stream. This did not

happen, though. And then our state machinery began to hurriedly put itself into reverse.

The "doves" in the Supreme Council simply could not comprehend that Ukraine's nuclear complex could not be severed from the rest of it (within the borders of the former USSR) overnight. This extremely complex organism could be restructured only gradually, and even then only on the condition of goodwill on the part of Russia. We all remember well that everything was developing in exactly the opposite way. As for us, we simply did not have our own foreign policy—it was all essentially a "response" to Russia's actions. And the United States, too, took a very uncompromising position. Initially it offered a laughable amount in compensation—\$127,000, and proposed as a compromise solution to temporarily store missiles on the territory of Ukraine under international supervision (very attractive at first glance, except that it is well known that where international supervision begins, the real rights of a "supervised" state end).

The terms Clinton is proposing now look quite different. For the first time the United States has shown a serious interest in Ukraine. This is especially underlined by Clinton's visit to Kiev, which is absolutely meaningless from the business point of view—what can be possibly discussed in two hours? Eduard Lisitsin, a researcher with the Institute of World Economics and International Relations [IMEMO] of the Ukrainian Academy of Sciences, described the positive points of potential trilateral agreements:

—Russia finally agreed to compensate Ukraine for the losses incurred by having its tactical nuclear missiles taken out. We will be given substantial economic aid. We were promised guarantees of security. There is hope that the world will finally understand Ukraine and its problems. The situation in the economy and the military-industrial complex will relax; military reform will begin.

...Let us stop and think, however: Do our people really crave to get rid of nuclear weapons? Obviously not. On the other hand, public opinion may change—depending on the results of agreements. Besides, if there are no results, the world community will simply come to the conclusion that the strong United States simply "over-powered" Ukraine (were L. Kravchuk's rather unusual and somewhat confused behavior at the press conference, his pale face and forced smile not signs of precisely such pressure?)

In Lisitsin's opinion, by emphasizing the special role of the Ukrainian president, Clinton unwittingly drove a wedge between Kravchuk and the Supreme Council. The decisions that may be adopted at the meeting in Moscow are capable of aggravating the situation and leading to a crisis of presidential power or, vice versa, to hard pressure on the parliament. Neither is needed now. Joint efforts of both branches of power are needed (if this is at

all possible) to restore the economy destroyed by incompetent bureaucrats and shamelessly pilfered by embezzlers. I think it is appropriate to recall here the thesis of the American President, who especially emphasized that in the 21st century the best guarantee of a state's security will be its economic might.

Let me also quote L. Kravchuk, who once uttered a sacred truth: "A state may maintain only the kind of an army, the kind of armed forces, that its economy permits." This probably also is a strong argument for nuclear disarmament. Having to choose one of the two—guns or butter—we should probably choose the latter.

Although perhaps everything would be different had Ukraine been capable of formulating and skillfully implementing a farsighted foreign policy. This was not to be, however. Sergey Vlasov, chief of the Europe department at the Ukrainian IMEMO, believes: "Stronger states, such as the United States and Russia, have formulated this policy for us. To make us accept it they used a carrot-and-stick policy, where Russian played the stick and the United States the carrot." Does this mean that these countries are indeed those "in charge of the flag," who are taking our state ship out of the political dead end?

And something else. Having declared our own independence a bargaining item (and there is no other way to describe the situation of backtracking from a pacifist course to flexing nuclear muscles), we ourselves showed to the world how much we "value" this independence. I think that in the near future the real meaning of the notion "Ukrainian independence" will shrink like shagreen leather. We will find ourselves tightly tied to one of the poles of the United States—Russia axis. Most likely the latter. But this is a subject for separate contemplation.

Benefit of Nuclear Accord Doubtful

944K0592A Kiev UKRAYINA MOLODA in Ukrainian
14 Jan 94 p 1

[Article by Olena Lisnycha: "From a Central Committee Secretary to the Press Secretary of the White House: Bill Clinton Somewhat Unexpectedly Flew Into Kiev for Two Hours. He Saw Kravchuk. He Won"]

[Text] On Wednesday night, young followers of Michurin from Rukh and the USS [Ukrainian Student Union] met a high-ranking visitor at the Borispol airport, where several flights, including one to France, were delayed in honor of Bill Clinton's visit. The imagination of Michurin's followers cross-bred a bizarre hybrid on their signs—"Clinton + Kravchuk = Zhirinovskiy." However, the presidents did not know this, because the picketers who, according to them, had gotten the blessing for this action from Vyacheslav Chornovil, together with their modest militia escort, remained at the opposite entrance to the airport. At precisely the time when they were tirelessly chanting "Kravchuk, retire," Clinton was

joking that, if Kravchuk did not hold his high position, he would offer him the job of the press secretary of the White House.

Today, on Friday, the presidents of Ukraine, Russia, and the United States are supposed to sign a trilateral agreement according to which Ukraine will give up all of its strategic nuclear weapons, receiving in exchange nuclear fuel for nuclear power stations (for the highly enriched uranium that is placed in nuclear weapons) and monetary compensation, the amount of which has not been ultimately determined but, according to preliminary projections, will not exceed \$1.5 billion. The U.S. President promised that Ukraine will receive some compensation for tactical nuclear weapons removed by Russia—actually from the United States, greater financial support than in 1993 (\$155 million) and lobbying on behalf of Ukraine in the IMF and the International Bank for Reconstruction and Development. The U.S. President announced the establishment of the Enterprise Fund, the monies of which will be addressed to Ukraine, Belarus, and Moldova in order to assist small enterprises and privatization. This is precisely how, very cheaply, Ukraine was persuaded to surrender virtually all nuclear arsenals which until recently were the main "emergency store" of Ukraine, saved for the rainiest day of the national economy.

Most likely, today Leonid Kravchuk will affix his signature to a trilateral compact. However, no matter what form it assumes (an agreement, a treaty that the parliament must mandatorily ratify, or a communique, a statement that becomes legally valid after being signed by the head of state), an overwhelming majority of the Supreme Council will not approve the presidential decision. It could be assumed that, having exceeded his authority, Kravchuk is ignoring the parliament and heading for authoritarian power, if it were not for the land under the president's chair shaking in an increasingly perceptible earthquake of a lack of confidence on the part of both the lower strata and the supreme echelons of power. Leonid Kravchuk has always left one move to retreat. It appears that lately he has been playing without writing down his moves, and his intuition has failed him. As he expressed his expectation that the Supreme Council would support his decision because "the parliament grows wiser together with life," Leonid Makarovych may have already imagined the forthcoming battle in the parliament. After all, as they are struggling for seats in the post-March parliament, the people's deputies will arm themselves with the thesis about the betrayal of the national interests of Ukraine by the president. The chances of Ivan Plyushch to secure the presidency are growing automatically (of course, if Kravchuk keeps his word and does not freeze the date of the presidential election).

Did it make sense to surrender the missiles with lightning speed, at ridiculous prices, when our eastern neighbor, with its very unpredictable future and in the accent of Zhirinovskiy, is putting pressure on all sensitive points of Ukraine ever more perceptibly? Did it

make sense to bid farewell to the weapons without having obtained full-fledged security guarantees? After all, the American initiative Partnership for Peace which was approved by NATO and the Nuclear Nonproliferation Treaty—the ones that Clinton guaranteed in Kiev—do not provide full-fledged guarantees.

As the U.S. President assured us, we will receive a "considerable amount of funds" in keeping with the Nunn-Lugar law (a program for assistance to Ukraine by the United States); these funds may be used, in particular, for defense and conversion. This may be the most dramatic aspect at present—given a lack of large-scale, specific reform programs, there are reasons to doubt that American aid will not be dispersed in economic chaos.

Editor on New Year Political Perspective

944K0548A Kiev NEZAVISIMOST in Russian 1 Jan 94 p 4

[Article by Vladimir Kuleba, editor in chief of NEZAVISIMOST, under the rubric "Politics": "Choice"]

[Text]

Results

It is customary to look back on the path traveled and sum up what has been done on the eve of the New Year. The results of the two years following the gaining of independence by Ukraine and the election of Leonid Kravchuk to the presidency are joyless, sad, and in many ways tragic. The country that set out on an "unrestricted cruise" with dignity and integrity is now increasingly reminiscent of a wagon rolling downhill whose wheels and shocks are breaking off and speeding every which way as it rolls. It appears that we will no longer be able to stop and that the wagon, and all of us with it, will end up in an abyss.

This is what Ukraine has today: a paralyzed economy and financial system, a most profound crisis in all spheres of life; inflationary processes have already turned into superhyperinflationary processes (on this score we are next only to Serbia where, unfortunately, a war is on). The pace of destruction is far greater than that of our creative activities, which makes it possible to refer not only to Ukraine turning into a Latin American banana appendage, but also to conclude that the threat of the nation dying off is very real.

How could this happen? Who is to blame? First of all, the state authorities, which have taken care to preserve the old system of the nomenklatura-Soviet-communist monopoly behind the new attributes. Monopoly has become a reliable barrier in the path of all reforms. Thus, Ukraine was perhaps the only European country to successfully maintain the old system "safely and entirely," and to neutralize political forces of a democratic persuasion by way of their splintering and elemental graft, which has made it possible for the turncoat

party nomenklatura to not just hold onto its complete power but to also to reinforce it.

In this instance, the role of the parliament is instructive. For the first time, democratic forces have appeared within it; they accounted for one-third of deputies, which sufficed to assert differences of political opinion and create a constructive opposition to the Communists: Party bosses, kolchoz and sovkhoz estate owners, the "Red directors," and other representatives of the "aggressively obedient" majority. However, L. Kravchuk, I. Plyushch, and V. Durdynets, who cut their teeth on nomenklatura intrigues and honed their skills for many years in the "golden cage" on Ordzhonikidze Street, together with the died-in-the-wool fraternity of oblast committee secretaries, did everything to block the operation of the parliament. This was executed masterfully. Pitting the Reds, the yellow-and-blues, the rosies, and the just plain sickly people's deputies against one another, the ruling nomenklatura undertook to sell out Ukraine and its wealth against the background of a political struggle. The deputies and the people were fooled in a classical manner—governments and programs for overcoming the crisis changed; "tame" political parties were created; the president proclaimed himself the guarantor of Ukrainian independence; from time to time the attention of the public was diverted toward "white brothers and sisters" or the Russian threat. At the same time, everything possible was exported from Ukraine, plundered, and "grab-it-had." The mafia, corruption, and oligarchy, or in simpler terms, the fusion of the criminal underworld with the powers that be, permeated the entire societal pyramid, beginning with its very apex and on down to the least of the officials issuing export licenses. Graft and bribery are reaching a zenith—bribes are given and taken not only in "green envelopes" but in entire files and attache cases stuffed with dollars. The expression "bribe suitcases" has taken root in the vernacular.

A colleague told me on one occasion: I was flying in from Asia; there are no direct flights; you have to change planes in Zurich. I took a look: Everyone on the plane was ours: some ministers, bankers, prominent merchants—a well-known company. I asked a friend: "What are you returning from—some kind of symposium?" "No, everyone was there on business. I for one flew to visit a bank and checked on my accounts." Not having a personal foreign exchange account abroad is now considered bad form in the milieu of those who govern us.

Prospects

Having successfully "done in" a referendum on confidence in the president and the Supreme Council, L. Kravchuk and I. Plyushch began to seriously prepare for new elections. As a result of very refined, Jesuitically sophisticated, and crafty efforts the Law on Elections appeared, which caused the whole civilized world to laugh. First of all, it is majority-based, i.e. the kind we got used to during the years of Soviet power. Second, candidates for deputies will be nominated by labor collectives, while political parties will be virtually

unable to influence the course of elections and the qualitative composition of deputies. Third, the practice of electing deputies who are not responsible for their actions to anybody or anything, except the "mythical" voters, will continue. All of this means the collapse of illusions concerning the formation of a professional, reformist parliament. That is to say, the political and economic situation which has emerged in the country will be preserved for a few years to come, which, of course, is advantageous for the forces that hold power at present. As before, they count on "making it" as deputies in remote rural districts, exploiting the oppressed and confused condition of the people.

The composition of the Central Electoral Commission, which consists mainly of people loyal to the president and the speaker, headed by Chairman of the Central Electoral Commission I. Yemets, who worked on the president's staff, testifies to how seriously and actively the party of power of L. Kravchuk and I. Plyushch is preparing for the elections. Methodological recommendations have been distributed to the localities and regions through the channels of both the soviets and presidential structures, which contain an analysis of the array of forces, recommendations on how to act in particular cases, who to nominate, who to block, and precisely how to do it. One such study which originated in the recesses of the administration of the president was printed in NEZAVISIMOST toward the end of last year with a view to familiarizing the voters with methods used by the representatives of the party of power.

The special services have also been drawn into the effort. They have been charged with monitoring, through all operational and informant techniques, the receipt of assistance from abroad by democratic candidates. Finally, the special services will embark on carrying out their principal mission: looking for spies.

The editorial office has learned of the establishment of a special, independent division for discrediting future "particularly dangerous" candidates for deputies and presidential candidates, which does not depend on either the Security Service of Ukraine or the Ministry of Internal Affairs. Techniques of political investigation, surveillance, and a thorough study of the "subject" will be used to this end. When compiling a character profile, one should answer these questions: Does the contender have a family? Where does his wife work? Does he have an official or personal car (the make is indicated)? What is his standing in the office? Does he celebrate holidays together with fellow workers? What does he drink—prestigious drinks, or does it make no difference to him? What are his hobbies? Does he have a mistress? What does he do in the evening? And so on, and so forth. There are grounds to believe that all this information will be used against democratic candidates by way of producing special leaflets which will be dropped in every mailbox, as is now the case with some newspapers.

Incidentally, about the newspapers. As the election draws closer they are thinking about newspapers more

often than usual. According to available information, appropriate work has already been done with a number of publications; they have been geared toward candidates who are "ours"; they have received instructions and motives to use in refusing to publish democrats or let them speak. This was stated recently by V. Pavlyuk, editor in chief of the disgraced Hart Studio. Here is an altogether amusing piece of information. S. Kichigin, the former president of the Dovira company and the former president of the newspaper (?) KIYEVSKIYE VEDOMOSTI, became the editor in chief of this publication, having single-handedly fired from the job the well-known journalist A. Shvets. Understandably, this could happen only in a highly independent and democratic newspaper. However, something else is of the essence. As it became known, the dismissal of A. Shvets was the second condition which representatives of the administration of the president set for S. Kichigin. The first and key condition was to change the political line of the newspaper and unconditionally support all candidates of the party of power during the elections. In return, S. Kichigin was granted an "indulgence" in the form of a prolongation of credit and debt (totalling over 10 billion karbovantsy) until the end of March of this year, that is, until the elections. Subsequently, it will be possible to forgive the debt altogether if the newspaper fulfills its obligations and everything ends well for the current inhabitants of the "golden cage."

This is how the party of power operates. What about the opposition, the national-democratic forces, organizations of state and market orientation? Alas, they are splintered and disjointed due to their own ambitions, intrigues, offenses, pride, and their own delusions of grandeur. It appears that they will still be unsuccessful in creating or contrasting anything of value. Besides, in the eyes of the people they are quite compromised, due to the care that was taken by yesterday's Communists. It is not surprising that in independent sociological surveys they hold between 5 and 8 percent of the vote. The Communists lead in these projections, who, in tandem with the Socialists, are capable of getting up to 55 percent in the new parliament. It is noteworthy that up to 23 percent of the vote goes to so-called "pure" and "independent" candidates whose names are known to few. However, having "made it" to the parliament, they will turn out to be closely tied to mafia structures, as well as to banking and entrepreneurial structures. However, the scenarios whereby homegrown communist-fascists come to power or still the same Communist Party nomenklatura survives are not ruled out.

I do not doubt that many familiar individuals from the current parliament will be among the contenders. Many of them have come to like the comfortably sated existence built on using the erstwhile privileges of the Central Committee of the Communist Party of Ukraine and meeting the mercenary interests of the present-day commercial structures, and they are not averse to extending it. I have repeatedly heard cynical narratives of people's deputies who have already "staked out" their districts.

Using money wheedled out in advance for future services (for example, familiarization with the drafts of new laws), the deputies "bend over" for the voters every which way they can—they hand out sops to families with many children, lay the foundations of kindergartens and hospitals, open free cafeterias, and so on, and so forth. I for one have no particular doubt that they will be reelected.

Alas, we have to talk about the imperfection and even fallaciousness of the very procedure of elections under the current economic conditions, whereby people reduced to the extreme stages of poverty and hunger are prepared to give everything away for crumbs from their master's table; they are prepared to give not only their votes but the shirts off their backs so that their children will not end up without clothes and barefoot in the snow on the street. Besides, the results of the elections in Russia confirm it: Zhirinovskiy's fascists and Zyuganov's Communists are in power. I will venture to predict their close rapprochement in the parliament; after all, the objectives of both are the same—totalitarianism, dictatorship, monopoly on power.

The election struggle is going to be cruel. The political melee will shatter a great many careers and lives. The striving of genuine intellectuals, of people with integrity and honesty to not get involved in the dirty free-for-all, to keep their souls pure, and to distance themselves from lies and provocations is natural. This is why I for one have difficulty imagining that the new deputies coming to power will be better than the current owners of credentials. That is to say, the elections will hardly be able to change the situation radically.

Conclusions

The results are joyless, the prospects are hazy, and the conclusions are sad. As of now there is no force in Ukraine that is capable of winning the elections, forming the government, and averting a catastrophe. There is chaos in the economy; in politics, the party of power holds sway, and people are demoralized. This is why, to my mind, the coming elections cannot do anything good for the democratic forces; their outcome has been predetermined in favor of the nomenklatura. The threat of resuscitation of the Communist regime or the establishment of an authoritarian dictatorship is real. The situation is being complicated by the syndrome of the regions "pulling apart," the symptoms of which—attempts to withhold payment of taxes, creation of free economic zones, presidential elections in the Crimea, fuelling of tension in the Donbass, etc.—are apparent.

In a situation in which all power belongs to the president (although he and his clique are trying to shift onto others responsibility for the current condition of Ukraine on various pretexts), his proposal to adopt a law on power acquires a menacingly ominous coloring. In the future, we will remain hostages to L. Kravchuk's ambitions; after all, if such a law is passed, he will still decide the fate of Ukraine single-handedly. In turn, if the new

parliament adopts a new Constitution, the separation of powers will be codified in it. This is why it appears that at present elections to the Supreme Council are not the priority task. The elections will resolve nothing. Only an early election of the president of Ukraine and the formation of a reformist government from among professionals, proponents of the market economy such as V. Lanovyy, A. Savchenko, and V. Chernyak, can change the situation and influence it fundamentally. As I see it, there is just no other way out for Ukraine at present. The only issue is just how blind the current parliament is in failing to see that which lies on the surface.

Editor Sums Up Results of Subscription Campaign
944K0535A Kiev *VECHIRNIY KYIV* in Ukrainian
29 Dec 93 p 1

[Article by Vitaliy Karpenko, editor in chief of *VECHIRNIY KYIV*, under the "The Editor in Chief's Column" rubric: "The Press: Today and Tomorrow"]

[Text] Preliminary results of a subscription campaign have now been summed up; the campaign has proceeded with difficulty and slowly, through severe clashes between editorial offices and the monopolistic postal department, against an overall background of the continuing pronounced impoverishment of the population. The monopoly won out in this instance, too: The price of subscription and delivery of the press exceeds all outlays on publishing it—the cost of newsprint (at present, one tonne already costs as much as 15 million karbovantsy), printing, wages, internal outlays of editorial offices, and so on. This is happening while the quality of postal services is deteriorating markedly: More and more complaints are being heard about a failure to deliver periodicals on time.

The only comforting point is that, apparently, the first blow has been dealt to the monopoly of the postal department, certainly not a lethal blow but a perceptible one: Alternative structures have come along that undertook to take subscriptions. These are the newsstands of the former Soyuzdruk [Main Administration for the Distribution of the Press of the USSR Ministry of Communications], which have broken away into the freedom of leasing from the powerful clutches of the Central Postal Office of Kiev, various small enterprises, and the editorial offices themselves. Difficult trials still lie ahead for them; it is not easy to stand against a monopoly. However, already the first holes are in the once unsinkable vessel of the Ministry of Communications.

What did the results of the subscription campaign indicate?

First, they testify to the fact that the impoverished population, stripped by our dear government, is no longer able to afford the spiritual nourishment—periodicals. As recently as a few years ago, the average resident of Kiev subscribed to three or four publications; last year, many people switched to one, whereas in the current year, even one newspaper has become unaffordable to many.

Second, this subscription campaign indicated that everything in the domain of the press is upside down. Previously, the struggle for a large circulation was considered a matter of prestige in our country; it still is abroad. During the last subscription campaign, many editorial offices abandoned the chase after circulation: After all, the greater the circulation of a newspaper, the more difficult the life of the editorial office is and the greater the losses that await it in the near future. At present, there are virtually no profitable newspapers. I see nothing strange about the circulation of newspapers dropping yet again. Even the state press, which exists mainly thanks to the state budget, cannot withstand the current price gouging. Newspapers of the type of *FINANSOVYY KYIV* and *RYNOCHNAYA PLOSHCHAD*, which at one time lured citizens by supposedly being free, have announced subscriptions and put themselves on the same footing as others.

Third, despite the high prices for periodicals and everything else, the impoverishment of the people, and competition from free television and radio, citizens of Ukraine have displayed their high intellectual standards, considerable spiritual needs, and, in addition, their civic awareness: The results of the subscription campaign were more favorable than could be expected. *SILSKI VISTI* has secured a large circulation by the standards of this time, 312,000 copies, thus demonstrating yet again the stability of the only nationwide newspaper for rural areas. *HOLOS UKRAYINY* got 205,000 copies, *URYADOVYY KURYER*—182,000 copies, *MOLOD UKRAYINY*—70,000 copies, *NEZAVISIMOST*—55,000 copies, *UKRAYINA MOLODA*—81,000 copies, *PRAVDA UKRAYINY*—79,000 copies, and *LITERATURNIA UKRAYINA*—27,000 copies. An insanely impudent and expensive advertising campaign notwithstanding, *KIYEVSKIYE VEDOMOSTI* failed to retain its circulation generated by scandal features, but nonetheless got subscriptions for 150,000 copies, which proves yet again that there is a social need for such a newspaper, too.

Just as the editorial office had planned, *VECHIRNIY KYIV* reached the intended circulation, between 40,000 and 45,000 copies, together with some retail sales. We are not able to "hack" a greater circulation in the environment of an economic crisis. For this reason, we were forced to give up the Russian-language edition; we are grateful that the majority of readers perceive this step with understanding. However, our subscribers had an opportunity to ascertain one thing: The editorial office has done everything possible to meet its obligations to the readers. As had been promised, we did not charge additional subscription fees in the middle of the year and did not reduce the size or frequency of publication of the newspaper. We published five times per week at a time when some five-day newspapers became weeklies. Our readers are receiving all the 250 issues of *VECHIRNIY KYIV* due to them annually. We are also planning to publish the newspaper five times a week in

the coming year. We have helped our low-income subscribers as best we could by establishing a charitable foundation and helping them to obtain subscriptions for the next year.

What does the next year, the Year of the Dog, hold in store for the press? Figuratively, ours will be the life of dogs. The state publishing house—for the nth time!—has increased prices for printing services, and the Central Post Office of Kiev is counting on tripling (?) the fees for delivering the press in the second quarter. Prices for newsprint (which is delivered exclusively from Russia) will hardly stabilize; even now, these prices reach world levels.

How will the press survive under such conditions? The state press will be sustained from the state budget, that is, at our expense, regardless of whether we want this or not. The press of commercial structures will depend on how thick the wallets of their masters are: There is nothing to be done—such is the law of the market. The independent press, i.e., such that does not serve the power structure, does not have owners and does not want to have them, and that in which labor or journalist collectives act as founders—such a press has nobody to attach its hopes to, except the likewise impoverished readers. The authorities will hardly help this press, because it sticks in its craw. However, one thing is clear: The day on which the last independent newspaper goes down in Ukraine will be the beginning of the end for democracy. Actually, the offensive of the current power structure against openness and democracy and their embodiment, the mass media, has already begun. Live broadcasting of the meetings of the Supreme Council sessions has been suspended on the ridiculous pretext of ensuring an equal footing for candidates for deputy; TV commentators now assure us through the lips of their masters that the session is proceeding in a clear-cut and fine manner. The minister of the Armed Forces of Ukraine has forbidden officers to write in the civilian press if the topics of these presentations transcend the confines of the military statute. Strange things are happening at our degenerating television: Reassignments in the top leadership echelon are not aimed at a fundamental improvement in programming, but rather at the reliability of the censorship screen—God forbid that some unsanctioned thought should get through. So a television person is assigned to manage radio broadcasting, and a radio person is transplanted to television; neither one knows the new business perfectly. Ideas are hatched instead about suspending the relay of radio broadcasts to the Kiev area on the city network, thus driving a wedge into the relationship between urban and rural, areas which is not ideal to begin with. The youth studio Hart is instead being hampered, and episodes that criticize the policy of the current authorities are not being allowed on the air. A familiar situation, is it not?

Add to this the fact that, contrary to the law that bans the censorship of the mass media, structures of the former censorship department that was invented by the Communist Party in its time still survive in our country; of course, they are being sustained from the budget. Who

needs this? Does someone believe that a time will come when this organ for smothering free thought will be needed? This is a purely rhetorical question.

Nonetheless, let us be optimistic. Our society has already matured to such a stage as to not allow the winding-down of democracy. We have entered the wide world, and there no longer is at present—nor, one hopes, will there ever be—an iron curtain separating us from the world and the world from us. Let us in unison oppose the offensive against glasnost in every way we can. We will not let them tighten the noose around the neck of the independent press. Support the press morally, organizationally, and, those of you who can do it, also financially, and the press will become a mighty weapon of the society in the struggle for the assertion of democracy.

Changes to Law on Freedom of Conscience, Religious Organizations

Text of Changes

944K0390A Kiev HOLOS UKRAYINY in Ukrainian
12 Jan 94 p 5

[Ukrainian law "On Additions and Amendments to the Law of the Ukrainian Soviet Socialist Republic on Freedom of Conscience and Religious Organizations"]

[Text] The Supreme Council of Ukraine resolves:

The following additions and amendments shall be made to the law of the Ukrainian Soviet Socialist Republic on Freedom of Conscience and Religious Organizations (VIDOMOSTI VERKHOVNOY RADY UKRAYIN-SKOY RSR, 1991, No. 25, p. 283; VIDOMOSTI VERKHOVNOY RADY UKRAYINY, 1992, No. 20, p. 277; No. 30, p. 418; 1993, No. 26, p. 277):

1. Parts 4 and 5 shall be added Article 16, which read:

"The activities of a religious organization shall be discontinued through judicial procedures only in the case that:

- "1) a religious organization commits acts the impermissibility of which is envisioned by Articles 3, 5, and 17 of the present law;
- "2) the rites and ministry of a religious organization are combined with infringements on the lives, health, freedom, and dignity of citizens;
- "3) a religious organization systematically violates procedures established by legislation for holding public religious events (services, rites, ceremonies, processions, and so on);
- "4) citizens are urged to not discharge their Constitutional duties or to engage in actions which are accompanied by egregious disruptions of public order or infringements on the rights and property of state, public, or religious organizations.

"Courts shall consider the issue of discontinuing the activities of a religious organization through adversarial proceedings envisioned by the Code of Civil Procedure of Ukraine, at the request of an organ empowered to effect registration of the statute of a specific religious organization, or of prosecutors."

2. Part 3 of Article 17 shall be worded as follows:

"A place of worship and property owned by the state may be provided for use to two or more religious communities in turn with their mutual consent. If there is no such consent, a state organ shall establish procedures for the use of the place of worship and property by way of coming to a separate agreement with each community."

3. Part 4, which reads as follows, shall be added to Article 24:

"Members of the clergy, religious preachers, teachers, and other representatives of foreign organizations who are foreign citizens and are staying in Ukraine temporarily shall be able to engage in preaching religious doctrines, performing religious rites, and other canon activities solely in the religious organization at whose invitation they have arrived, and by official agreement with the state organs that have registered the statutes (regulations) of the relevant religious organizations."

4. In Article 14:

In Part 1, the words "to the executive committee of the oblast council of people's deputies, Kiev and Sevastopol City Councils of People's Deputies, and in the Crimean Autonomous Soviet Socialist Republic—to the government of the Crimean Autonomous Soviet Socialist Republic" shall be replaced with the words "to the oblast state administrations, Kiev and Sevastopol City State Administrations, and in the Republic of Crimea—to the government of the Republic of Crimea";

In Part 4, the words "of the executive committee of the local council of people's deputies" shall be replaced with the words "of the local state administration, executive committee of the rural, settlement, or city council of people's deputies."

5. In Article 17:

In Part 2, the words "of the executive committees of the oblast councils of people's deputies, Kiev and Sevastopol City Councils of People's Deputies, and in the Crimean Autonomous Soviet Socialist Republic—of the government of the Crimean Autonomous Soviet Socialist Republic" shall be replaced with the words "of the oblast state administrations, Kiev and Sevastopol City State Administrations, and in the Republic of Crimea—of the government of the Republic of Crimea."

6. In Article 21:

In Part 5, the words "of the executive committee of the relevant local council of people's deputies" shall be replaced with the words "of the relevant local state administration, executive committee of the rural, settlement, or city council of people's deputies."

7. In Articles 26, 27, and 28, the words "workers and employees" shall be replaced, as appropriate, with the words "by personnel" and "of personnel."

8. In Article 30:

In Paragraph 4, Part 1, the words "to the executive committees of the local councils of people's deputies" shall be replaced with the words "to state organs."

9. In the title and text of the law, the words "of the Ukrainian Soviet Socialist Republic," "by the Ukrainian SSR," "of the Ukrainian SSR," and "the Ukrainian SSR" shall be replaced, as appropriate, with the words "of Ukraine," "by Ukraine," "of Ukraine," and "Ukraine."

[Signed] L. Kravchuk, president of Ukraine
City of Kiev, 23 December 1993

Changes to Decree on Implementation

944K0590B Kiev HOLOS UKRAYINY in Ukrainian
12 Jan 94 p 5

["Decree of the Supreme Council of Ukraine on Amending the Decree of the Supreme Council of the Ukrainian Soviet Socialist Republic on Procedures for the Enactment of the Law of the Ukrainian Soviet Socialist Republic on Freedom of Conscience and Religious Organizations"]

[Text] The Supreme Council of Ukraine resolves:

1. Point 6 of the Decree of the Supreme Council of the Ukrainian Soviet Socialist Republic on Procedures for the Enactment of the Law of the Ukrainian Soviet Socialist Republic on Freedom of Conscience and Religious Organizations shall be worded as follows:

"The Cabinet of Ministers of Ukraine, the government of the Republic of Crimea, oblast state administrations, the Kiev and Sevastopol state administrations shall ensure, in keeping with the Law of Ukraine on Freedom of Conscience and Religious Organizations, the return of places of worship and property or their transfer for use free of charge to religious communities, taking into account:

"—the rights of religious communities to which these places and property belonged as of the moment of the transfer of their ownership to the state;

"—the rights of religious communities which use these places and property through procedures established by law;

"—the investment of funds by religious communities into erecting and remodeling places of worship and the duration of their use;

"—the existence in a given inhabited locality (area) of other places of worship and their use by the religious communities of the denominations in question;

"—other essential circumstances in their entirety.

"Decisions of the relevant state organs should be substantiated."

2. In the title and text of the aforementioned decree, the words "of the Ukrainian Soviet Socialist Republic" and "of the Ukrainian SSR" shall be replaced with the words "of Ukraine."

[Signed] I. Plyushch, chairman of the Supreme Council City of Kiev, 23 December 1993

Law on State Service

Text of Law

944K0558A Kiev HOLOS UKRAYINY in Ukrainian
5 Jan 94 pp 3-5

[Text of law under the rubric "The Laws of the Independent State": "Law of Ukraine on State Service"]

[Text] This Law regulates the social relations that encompass the activity of the state pertaining to the creation of legal, organizational, economic and social conditions for the realization of the right to state service by the citizens of Ukraine.

It defines the general principles of the activity, as well as the status, of state employees working in state bodies and their apparatus.

Part I

General Provisions

Article 1. State service and state employees

State service in Ukraine is the professional activity of individuals who occupy positions in the state bodies and their apparatus with regard to the practical fulfillment of the tasks and functions of the state and who receive pay in state funds.

These individuals are state employees and have the corresponding official powers.

Article 2. The position and the official

A position is a primary structural unit of a state body and its apparatus, as defined by the structure and standard schedule, to which official powers defined by official documents are entrusted.

Officials, under this Law, are considered to be the heads and deputy heads of state bodies and their apparatus, and other state employees to whom the exercise of organizational-directive and consultative-deliberative functions is entrusted by laws or other official documents.

Article 3. Fundamental principles of state service

State service is founded on these fundamental principles:

- service to the people of Ukraine;
- democratism and legality;
- humanism and social justice;
- the priority of the rights of the person and the citizen;
- professionalism, competence, initiative, integrity and devotion to the cause; personal responsibility for the fulfillment of official duties and discipline;
- the upholding of the rights and legal interests of bodies of local and regional self-government;
- the upholding of the rights of enterprises, institutions, organizations and associations of citizens.

Article 4. The right to state service

The right to state service is held by citizens of Ukraine regardless of their origins, social and property status, racial or ethnic affiliation, gender, political views, religious convictions or place of residence, who have received the appropriate education and professional training and have completed competitive selection under the stipulated procedure, or under some other procedure as provided for by the Cabinet of Ministers of Ukraine.

Article 5. Ethics of the conduct of the state employee

The state employee shall:

- conscientiously perform his official duties;
- have a respectful attitude toward citizens, superiors and coworkers, and will uphold a high standard of interaction;
- will not permit acts or deeds that could harm the interests of Ukraine or have a negative effect on the reputation of the state employee.

A state employee is prohibited from:

- taking part in actions that contradict the national interests of Ukraine or make the functioning of official bodies more difficult;
- committing acts that could be regarded as making use of his own official position for personal gain in his own interests, as well as actions that are considered to be corrupt in accordance with prevailing legislation;
- displaying prejudice or sympathy, notwithstanding the interests of the matter, toward any enterprise, institution, organization, body, association of citizens or particular individual;
- displaying bureaucratism, departmentalism or parochialism.

Part II

State Policy in the Sphere of State Service

Article 6. The principal areas of state policy in the sphere of state service

State policy in the sphere of state service is defined by the Supreme Soviet of Ukraine.

The principal areas of state policy in the sphere of state service are the designation of the basic aims, tasks and principles for the functioning of the institution of state service, and assurance of the efficient operation of all state bodies in accordance with their scope of authority.

The Main Administration for State Service of the Cabinet of Ministers of Ukraine is created for the pursuit of a uniform policy and for the functional administration of state service.

Questions of the functioning of state service at other state bodies whose legal status is governed by special laws of Ukraine are resolved by those bodies.

Article 7. The administrative body of state service

The administrative body of state service at state bodies and their apparatus is the Main Administration for State Service of the Cabinet of Ministers of Ukraine.

The Main Administration for State Service of the Cabinet of Ministers of Ukraine:

- predicts and plans for the personnel needs of state bodies and their apparatus; provides for the realization of general policy guidelines in the sphere of state service at state bodies and their apparatus, in conjunction with other state bodies;
- develops and submits for the consideration of the Cabinet of Ministers of Ukraine drafts of official documents on question of state service in state bodies and their apparatus;
- develops, coordinates and monitors the implementation of measures relating to increasing the efficiency of state service in state bodies and their apparatus;
- exercises methodological supervision of the conduct of competitive selection for state employees in state bodies and their apparatus;
- organizes the education and professional training of state employees of state bodies and their apparatus;
- monitors the upholding of the conditions stipulated by this Law for the realization of the right of citizens to state service;
- organizes, coordinates and provides conditions for the development of scientific research on questions of state service.

Article 8. The Coordinating Council on Issues of State Service

An interagency deliberative body—the Coordinating Council on Issues of State Service at State Bodies—is created for the purpose of defining the ways, means and forms of realization of the principal guidelines of state policy in the sphere of state service and combining all of the efforts of state bodies to increase the efficiency of state service.

The Statute on the Coordinating Council on Issues of State Service at State Bodies is approved by the Cabinet of Ministers of Ukraine.

Part III

Legal Status of State Employees of State Bodies and Their Apparatus

Article 9. Specific features governing the status of state employees of state bodies and their apparatus

The legal status of the President of Ukraine, the Chairman of the Supreme Soviet of Ukraine and his deputies, the heads of the standing commissions of the Supreme Soviet of Ukraine and their deputies, the people's deputies of Ukraine, the Prime Minister of Ukraine, members of the Cabinet of Ministers of Ukraine, the Chairman and members of the Constitutional Court of Ukraine, the Chairman and judges of the Supreme Court of Ukraine, the Chairman and arbiters of the Higher Court of Arbitration of Ukraine, the General Procurator of Ukraine and his deputies is governed by the Constitution and special laws of Ukraine.

The legal status of state employees who work in the apparatus of the bodies of the procuracy, courts, diplomatic service, customs control, security service, internal affairs and others is governed by this Law, if not otherwise stipulated by the laws of Ukraine.

Article 10. The principal duties of state employees

The principal duties of state employees are:

- to uphold the Constitution of Ukraine and other legislation of Ukraine;
- to provide for effective operation and the fulfillment of the tasks of state bodies in accordance with their jurisdiction;
- not to permit violations of the rights and freedoms of persons and citizens;
- to perform the official duties entrusted to them without delay, and to fulfill in timely and precise fashion the resolutions of state bodies or officials and the directives and instructions of their superiors;
- to protect state secrets and information about citizens that has come to their knowledge during the performance of official duties of state service, as well as other information that by law is not subject to dissemination;

- to improve constantly the organization of their work and to increase their professional qualifications;
- to perform their official duties conscientiously, with initiative and creativity in their work.

The state employee shall act within the limits of his authority.

In the event that an assignment is received that contradicts prevailing legislation, the state employee is obligated to report this immediately to the official that gave the assignment in written form, and in cases of insistence on its fulfillment, to notify a higher official.

Article 11. The basic rights of state employees

State employees have the right:

- to enjoy the rights and freedoms that are guaranteed to citizens of Ukraine by the Constitution and laws of Ukraine;
- to take part in the consideration of issues and the making of decisions within the limits of their authority;
- to obtain from state bodies, enterprises, institutions and organizations and bodies of local or regional self-government necessary information on issues that fall under their jurisdiction;
- to respect for their personal dignity and a fair and respectful attitude toward them on the part of superiors, coworkers and citizens;
- to require the approval by a superior of a clearly defined amount of official powers for the position of the employee;
- to pay in accordance with the position that he occupies, the grade that is awarded for it, and for quality, experience and time of service;
- freely to become familiarized with materials that pertain to his performance of state service, with individual explanations where necessary;
- to advancement in the service with allowance for his qualifications and abilities, the conscientious fulfillment of his official duties and participation in competition to fill positions of higher categories;
- to demand an official investigation with the aim of clearing charges or suspicions that are groundless in the opinion of the employee;
- to working conditions that are healthy, safe and conducive to highly productive work;
- to social and legal protection in accordance with his status;
- to protection of his legal rights and interests with higher state bodies and under judicial procedures.

The specific duties and rights of state employees are defined on the basis of standard descriptions of qualifications, and are reflected in the statutes and instructions for the positions as approved by the heads of the corresponding state bodies within the bounds of the law and their scope of authority.

Article 12. Restrictions connected with acceptance for state service

Individuals may not be selected or named to a post in a state body or its apparatus as follows:

- those who have been deemed incapable;
- those who have a legal conviction which is incompatible with the holding of a position;
- in cases of acceptance into service where they will be immediately subordinate to individuals who are their close relatives or in-laws;
- in other cases stipulated by the laws of Ukraine.

Article 13. Declaration of income of state employees

An individual wishing to hold a position of state employee in categories three through seven, as stipulated by Article 25 of this Law, will submit by place of future service information on income and obligations of a financial nature, including abroad, as pertains to himself and the members of his family. An individual wishing to hold the position of state employee in categories one and two, as stipulated by Article 25 of this Law, shall submit such information on real property and valuable personal property, including in banks and in securities, that belong to him and the members of his family.

This information is submitted by a state employee every year. The procedure for the submission, retention and use of that information is established by the Cabinet of Ministers of Ukraine.

Article 14. Specific features of the disciplinary liability of state employees

Disciplinary penalties are applicable to a state employee for the failure to perform, or the unsatisfactory performance of, official duties, exceeding his authority and violating restrictions connected with the performance of state service, as well as for actions that discredit the state employee or discredit the state body at which he works.

The following disciplinary measures may also be applicable to employees aside from the disciplinary penalties envisaged by prevailing legislation on labor in Ukraine:

- warning of incomplete conformity to official duties;
- a delay of up to a year in the awarding of the next grade or in being named to a higher post.

Part IV

Performance of State Service in State Bodies and Their Apparatus

Article 15. Acceptance for state service

Acceptance for state service in a position of categories three through seven, as stipulated by Article 25 of this Law, is accomplished on a competitive basis, aside from cases where the laws of Ukraine stipulate otherwise.

The procedure for the conduct of the competition for entry into state service is regulated by a Statute approved by the Cabinet of Ministers of Ukraine.

Information on vacant positions of state employees is subject to publication and dissemination through the mass media no later than one month before the holding of the competition.

The submission of information and documents whose submission is not envisaged by the legislation of Ukraine from candidates for state service is prohibited.

The President of Ukraine, the Chairman of the Supreme Soviet of Ukraine, the members of the Government of Ukraine, and the heads of local state administrations have the right to choose and hire individuals independently for the positions of their assistants, the heads of press services, counselors and secretaries in accordance with the standard schedule and category that corresponds to the position (patronage service). The procedure for such individuals to be in state service is established by the corresponding bodies.

Article 16. Restrictions associated with the performance of state service

A state employee does not have the right:

- to engage in entrepreneurial activity either directly or through intermediaries, aside from the cases envisaged by prevailing legislation, or to be a representative for third parties in the affairs of a state body where he works, as well as to perform work in related fields (except for scientific, instructional or creative activity, as well as a medical practice);
- to promote, or make use of his official position for, physical or legal persons in entrepreneurial activity they have undertaken with the aim of obtaining recompense for it in monetary or other form, services or concessions;
- to be a part of the composition, either independently or through a representative, of the supervisory bodies of enterprises, business companies etc., organizations, unions, associations or cooperatives that are carrying out entrepreneurial activity;
- to accept gifts or services from physical or legal persons in connection with their official activity.

State employees may not take part in strikes or undertake other actions that hinder the normal functioning of a state body. Other restrictions connected with the performance of state service by certain categories of state employees are established exclusively by the legislation of Ukraine.

Article 17. The oath of state employees

Citizens of Ukraine who are entering into state service for the first time take an Oath with the following content:

"Being fully aware of my great responsibility, I knowingly swear that I will faithfully serve the peoples of Ukraine, strictly uphold the Constitution and laws of Ukraine, promote their incarnation, strengthen their authority, protect the rights, freedoms and legal interests of citizens, carry the lofty title of state employee with honor and conscientiously perform my duties."

A state employee signs the text of the Oath, which is kept at his place of employment. An entry is made in the work log that the Oath was taken.

Article 18. Probationary period for acceptance into state service

A probationary period of up to six months may be established for acceptance into state service.

Article 19. Internships of state employees

For the purpose of gaining practical experience and verifying the professional level and business qualities of an individual who wishes to take the position of state employee, an internship may be conducted at the corresponding state body for a term of up to two months with the preservation of pay for the basic job.

Article 20. Work period

The duration of the working period of state employees is defined in accordance with the labor legislation of Ukraine with a regard for the specific features envisaged by this Law.

State employees are required to perform unexpected and unforeseen work at the directive of the head of the body at which they work, and to come in to work on days off, holidays or non-working days; this work is compensated in accordance with prevailing labor legislation.

State employees may be recalled from annual or supplemental time off by decision of the head of the body. A portion of the unused time off that remains is granted to the state employee at some other time in the corresponding year or is combined with the time off for the coming year.

Article 21. Official trips

State employees are reimbursed for the cost of official trips, and are paid other compensation in accordance with the labor legislation of Ukraine.

State employees on a trip enjoy the right of reservation of places in hotels and on all means of transport, as well as the priority acquisition of travel documents. State employees at a trip destination are granted a place to work and the opportunity to make use of communications, transport, reproduction equipment and other services of a technical nature.

Article 22. Suspension from the performance of the duties of a position

A failure to perform official duties that leads to human casualties or causes significant material or moral damages to citizens, the state, an enterprise, institution, organization or association of citizens, is grounds for the suspension of a state employee from the performance of the duties of his position with the retention of pay. The decision to suspend a state employee from the performance of the duties of his post is made by the head of the state body at which that employee works.

The duration of the suspension from the performance of the duties of a position shall not exceed the time for official investigation. The official investigation is performed within a period of two months under the procedure stipulated by the Cabinet of Ministers of Ukraine.

If the legitimacy of a decision to suspend a state employee from the performance of the duties of his position is not confirmed by the results of an official investigation, the decision is abrogated.

Article 23. Maximum age for state service

The maximum age for being in state service is 60 years for men and 55 years for women. The head of a state body, with the consent of the Chief of the Main Administration for State Service of the Cabinet of Ministers of Ukraine, may extend the maximum age of state service when necessary, but not for more than five years.

State employees may remain in state service or in the positions of advisors or consultants after this time period in exceptional cases, by decision of the head of the corresponding state body.

Part V

The Service Career

Article 24. Completion of service

Acceptance for state service, the advancement of employees in it, incentives for their work and the resolution of other issues connected with service are accomplished in accordance with the categories of the positions of the employees, as well as in accordance with the grades awarded to them.

Article 25. Classification of positions

The principal criteria for the classification of the positions of state employees are the organizational-labor level of the body that is taking them on, the amount and

nature of the powers of a specific position and the role and place of the position in the state body.

The following categories are established for the positions of employees:

Category one—the positions of the chairmen of state committees who are not members of the Government of Ukraine, the heads of other central bodies of state executive power under the Cabinet of Ministers of Ukraine, the Permanent Representative of the President of Ukraine in the Republic of Crimea, representatives of the President of Ukraine in the oblasts and the cities of Kiev and Sevastopol, first deputy ministers, the first deputy chairmen of state committees that are part of the Government, the heads of the Administration of the President of Ukraine, the Secretariat of the Supreme Soviet of Ukraine and other positions equivalent to them;

Category two—the positions of deputy heads of the Administration of the President of Ukraine, deputy heads of the Secretariat of the Supreme Soviet of Ukraine, deputy heads of the apparatus of the Cabinet of Ministers of Ukraine, heads of structural subdivisions of the Secretariat of the Supreme Soviet of Ukraine, secretariats of the standing commissions of the Supreme Soviet of Ukraine, the Administration of the President of Ukraine, the Chairman of the Supreme Soviet of Ukraine, the Prime Minister of Ukraine, deputy ministers, deputy chairmen of state committees that are part of the Government, first deputies, deputy chairmen of committees and other central bodies of state executive authority under the Cabinet of Ministers of Ukraine, the first deputy of the Permanent Representative of the President of Ukraine in the Republic of Crimea, the first deputy heads of oblast and the Kiev and Sevastopol city state administrations and other positions equivalent to them;

Category three—the positions of deputy heads of structural subdivisions, the managers of sectors, lead specialists, experts and consultants of the Administration of the President of Ukraine, the Secretariat of the Supreme Soviet of Ukraine and the apparatus of the Cabinet of Ministers of Ukraine, the deputies of the Permanent Representative of the President of Ukraine in the Republic of Crimea, the deputy heads of oblast and the Kiev and Sevastopol city state administrations, representatives of the President of Ukraine in the rayons, the rayons of the cities of Kiev and Sevastopol, the chiefs of administrations, independent departments that are part of ministries and other central bodies of state executive authority and other positions equivalent to them;

Category four—the positions of specialists of the Administration of the President of Ukraine, the Secretariat of the Supreme Soviet of Ukraine and the apparatus of the Cabinet of Ministers of Ukraine, the deputy chiefs of administrations, independent departments or subdepartments of ministries and other central bodies of state executive authority, the supervisors of administrations,

departments and services of oblast and the Kiev and Sevastopol city state administrations and other positions equivalent to them;

Category five—the positions of specialists of ministries and other central bodies of state executive power, the deputy representatives of the President of Ukraine in the rayons and the rayons of the cities of Kiev and Sevastopol, the deputy supervisors of administrations, departments and services of oblast and Kiev and Sevastopol city state administrations, specialists of the apparatus of those administrations and other positions equivalent to them;

Category six—the positions of heads of administrations, departments and services of rayon and Kiev and Sevastopol city rayon state administrations, the specialists of administrations, departments and services of oblast and Kiev and Sevastopol city state administrations and other positions equivalent to them;

Category seven—the positions of specialists of rayon and Kiev and Sevastopol city rayon state administrations, their administrations and departments and other positions equivalent to them.

The relegation of existing positions of state employees that are not enumerated in this article, as well as the relegation of new positions of state employees to the corresponding category, is performed by the Cabinet of Ministers of Ukraine in coordination with the corresponding state body.

Article 26. Grades of state employees

The following grades are established for state employees:

- employees who occupy positions relegated to category one may be awarded grades 3, 2 and 1;
- employees who occupy positions relegated to category two may be awarded grades 5, 4 and 3;
- employees who occupy positions relegated to category three may be awarded grades 7, 6 and 5;
- employees who occupy positions relegated to category four may be awarded grades 9, 8 and 7;
- employees who occupy positions relegated to category five may be awarded grades 11, 10 and 9;
- employees who occupy positions relegated to category six may be awarded grades 13, 12 and 11;
- employees who occupy positions relegated to category seven may be awarded grades 15, 14 and 13.

The statute on the grades of employees is approved by the Cabinet of Ministers of Ukraine.

A grade is awarded to accordance with the position held, the level of professional qualifications and the results of work.

Grades that correspond to positions in category one are awarded by the President of Ukraine.

Grades that correspond to positions in category two are awarded by the Cabinet of Ministers of Ukraine.

Grades that correspond to positions in categories three through seven are awarded by the head of the state body in whose system the state employee works.

An employee is awarded a grade within the limits of the corresponding category of positions upon acceptance into state service.

A state employee shall successfully work at the post occupied for two years in order to be awarded the next grade within the limits of the corresponding category of positions. A state employee may be awarded the next grade ahead of schedule within the limits of the corresponding category of positions for the performance of especially crucial tasks.

The next grade may be awarded to a state employee for conscientious work upon retirement, above and beyond the corresponding category of the positions.

A state employee may be stripped of a grade by the body that awarded him that rank only by verdict of a court.

If a state employee has transferred to a position of a lower category or has left state service and then returned, the grade awarded to him is preserved.

People's deputies of Ukraine that were in state service before their election count the period of the fulfillment of their duties toward their time of state service.

An entry is made in the work logs of a state employee on the awarding, alteration or removal of the corresponding grade.

Article 27. Advancement in the service

Advancement in the service by a state employee is accomplished by means of the holding of higher positions on a competitive basis, aside from cases where it is stipulated otherwise by the laws of Ukraine and the Cabinet of Ministers of Ukraine, or by means of the granting of a higher grade to a state employee.

A state employee has the right to take part in competitions to fill a vacant position. State employees who have achieved the best results in their work and display initiative, are constantly raising their professional level and are counted among the cadre reserve enjoy a preferential right to advancement in the service.

Article 28. The cadre reserve of state service

A cadre reserve is created at state bodies to take positions of state employees, as well as for their advancement in the service.

The cadre reserve is composed of:

- specialists of local and regional self-government, production, socio-cultural, scientific and other spheres, as well as the graduates of educational institutions of the corresponding fields;

—state employees who have raised their qualifications or have completed an internship, and have been recommended for advancement to a higher position.

The procedure for the formation and organization of work with the cadre reserve is regulated by the Statute on the Cadre Reserve of State Service, which is approved by the Cabinet of Ministers of Ukraine.

Article 29. Education and skills enhancement of state employees

Conditions are created for the education and skills enhancement at the corresponding educational institutions (departments) and by means of self-study.

State employees raise their qualifications constantly, including through education at the corresponding educational institutions, as a rule, no less often than once every five years. The results of education and skills enhancement are one of the foundations for advancement in the service.

Part VI

Curtailment of State Service

Article 30. Grounds for curtailment of state service

Aside from the general grounds envisaged by the Code of Labor Laws of Ukraine, state service is curtailed in the case of:

- 1) violation of the terms for realization of the right to state service (Article 4 of this Law);
- 2) failure to uphold the requirements envisaged by Article 16 of this Law for the performance of state service;
- 3) the attainment by a state employee of the maximum age for the performance of state service (Article 23 of this Law);
- 4) the resignation of state employees who hold positions in categories one or two (Article 31 of this Law);
- 5) the ascertainment or appearance of circumstances that keep a state employee from being in state service (Article 12 of this Law);
- 6) the refusal of a state employee to take the Oath or a violation of it, as envisaged by Article 17 of this Law;
- 7) the failure to submit, or the submission of incorrect, information by a state employee pertaining to his income, as envisaged in Article 13 of this Law.

A change in the heads or composition of state bodies cannot be grounds for the curtailment of state service by a state employee in his post at the initiative of newly designated heads, aside from state employees in patronage service.

State employees who have occupied a category one position for no less than three years and have been dismissed in connection with a change in the composition of the body

where they were working, or the end of the term of authority of that body, retain their average monthly pay for the period of job search, but not for more than one year.

Article 31. Resignation of a state employee

Resignation is the curtailment of state service by an employee who holds a position in categories one or two, by his written request.

Grounds for resignation are:

- a fundamental disagreement with the decision of a state body or official, as well as ethical impediments to being in state service;
- the forcing of a state employee to fulfill the decision of a state body or official that contradicts prevailing legislation, which could cause significant material or moral harm to the state, enterprises, institutions, organizations or associations of citizens or a citizen;
- a state of health that impedes the exercise of official authority (with the presence of medical findings).

A resignation is accepted, or a well-founded refusal is given, by the state body or official that named the state employee to that position. The decision to accept a resignation or refusal of it is made within a month's time. A state employee shall continue to fulfill his official duties in the case of a refusal of his resignation, and has the right to discharge under the procedure stipulated by the Code of Labor Laws of Ukraine.

In a case of the resignation of a state employee who has not reached pension age, but has sufficient time of service for the granting of a pension (25 years for men and 20 for women) and has worked in category one or two positions for no less than five years, he is paid 85 percent of his official salary monthly with allowance for additional payments for grade and for time served until he reaches pension age.

A state employee who is retired, upon attaining pension age, is granted a pension as a state employee.

In the case of the granting of an age-based pension, the finding of a job or conviction for committing a crime, the payments stipulated in Part Four of this Article are curtailed.

Article 32. Appeal of a decision to curtail state service

A decision to curtail state service may be appealed by a state employee directly in the courts.

Part VII

Material and Social Support for State Employees

Article 33. Pay

The pay of state employees shall provide for sufficient material conditions for the independent performance of official duties, facilitate the staffing of the apparatus of

state bodies with competent and experienced personnel, and provide incentives for their conscientious work with initiative.

The pay of state employees comprises salaries, bonuses, additional payments for grade, supplements for time in state service and other supplements.

The salaries of state employees are established depending on the difficulty and level of responsibility of the official duties they perform.

Additional payments for grade are made according to the grade awarded to the state employee.

The supplements for time of service are paid to state employees on a monthly basis as a percentage of their salary, with allowance for additional payments for grades and depending on the time of state service, in the following amounts: more than 3 years—10 percent, more than 5 years—15 percent, more than 10 years—20 percent, more than 15 years—25 percent, more than 20 years—30 percent, and more than 25 years—40 percent.

Supplements may be established for state employees for good results in their work and the performance of especially important work, additional payments for the performance of duties of temporarily absent employees and other supplements and additional payments, as well as the granting of material assistance to resolve social and domestic issues.

The terms for the pay of state employees, the amounts of their salaries, supplements, additional payments and material assistance are stipulated by the Cabinet of Ministers of Ukraine.

The source for the formation of the pay allocation for state employees is the State Budget of Ukraine.

A cutback in state appropriations cannot be grounds for a reduction in salaries, supplements to them or the financing of other guarantees, benefits and compensations as envisaged by this Law.

Article 34. Incentives for conscientious work

State employees are given monetary remuneration in an amount, and under the procedure, established by the Cabinet of Ministers of Ukraine for conscientious, uninterrupted work at state bodies and the exemplary performance of their labor duties.

State employees are submitted for state decorations and the conferring of honorary titles for special labor merit.

Article 35. Annual and additional vacations of state employees

State employees are granted an annual vacation of 30 calendar days, if a longer vacation is not stipulated by legislation, with the payment of health assistance in the amount of their salary.

State employees that have a term of service at state bodies of more than ten years are granted an additional paid vacation of 15 calendar days. The procedure and conditions for the granting of the additional paid vacation are established by the Cabinet of Ministers of Ukraine.

Article 36. Social security for state employees

State employees are provided with housing from the state stock under established procedure.

State employees who hold positions in categories one through four have the right to priority installation of apartment telephones.

A plot of land and interest-free credit for a term of 20 years are granted to state employees who require improvement in their housing conditions in accordance with prevailing legislation, for individual and cooperative housing construction or for the acquisition of apartments or individual residential housing. The terms for the granting of credit are established by the Cabinet of Ministers of Ukraine.

State employees and the members of their families who are living with them enjoy free medical care at state health-care institutions under established procedure. They are supported by the same institutions after retirement.

Article 37. Pension support and monetary assistance for state employees

The pension is paid to state employees at the expense of the state.

Individuals who have reached pension age as stipulated by the legislation of Ukraine, with overall labor service of no less than 25 years for men and 20 years for women, including state service of no less than 10 years, are entitled to receive pensions for state employees. These individuals are granted pensions in the amount of 80 percent of their (official) salary, with allowance for the supplements envisaged by this Law and without restriction on the maximum size of the pension.

The pension is paid to the state employee in the full amount, regardless of his earnings (or profits) received after retirement.

The pension is increased by one percent for every full year of work over ten years in state service, but not more than 90 percent of the (official) salary, with allowance for the supplements envisaged by this Law and without restriction on the maximum size of the pension.

State employees are paid monetary assistance in the amount of 10 month's salary in case of retirement with a term of state service of no less than ten years.

The terms pertaining to municipal and domestic support as envisaged by this Law are used in the case of the retirement of a state employee with a term of state service of no less than 10 years.

Part VIII

Liability for Violations of Legislation on State Service

Article 38. Liability for violations of legislation on state service

Individuals who are guilty of violations of legislation on state service bear civil, administrative or criminal liability in accordance with prevailing legislation.

President of Ukraine L. Kravchuk

City of Kiev, 16 December 1993

Decree on Implementation

944K0558B Kiev HOLOS UKRAYINY in Ukrainian
5 Jan 94 p 3

[Text of decree under the rubric "Decree of the Supreme Soviet of Ukraine": "Entry Into Force of the Law of Ukraine on State Service"]

[Text] The Supreme Soviet of Ukraine decrees:

1. The entry into force of the Law of Ukraine on State Service as of the day of its publication, parts four and five of Article 33, part one of Article 34, Article 35 and part one of Article 37 as of 1 January 1994, and part one of Article 37 as of the moment of adoption of the legislation of Ukraine on social security.
2. That it is stipulated that the force of this Law extends to the employees of the state bodies of the Republic of Crimea and to the bodies of local and regional self-government that are equivalent to the corresponding categories of positions of employees, if not otherwise envisaged by the legislation of Ukraine.
3. That legislative and other official acts are applicable to the extent that they do not contradict this Law, before the legislation is brought into conformity with the Law of Ukraine on State Service.
4. That the Chairman of the Supreme Soviet of Ukraine, the President of Ukraine, and the Cabinet of Ministers of Ukraine will take the Oath of state employees in accordance with the Law of Ukraine on State Service within three months after the entry into force of that Law.
5. That the Cabinet of Ministers of Ukraine will:
 - prepare and submit for the consideration of the Supreme Soviet of Ukraine, by 1 July 1994, proposals for the alteration and amendment of legislation that follows from the Law of Ukraine on State Service;
 - fulfill the resolution of the Government of Ukraine, by 1 October 1994, in accordance with the Law of Ukraine on State Service;

—provide for the development and approval of standard documents throughout 1994, in accordance with the powers of the Government, that are stipulated by this Law;

—provide for the review and abrogation by the ministries and agencies of Ukraine, by 1 April 1994, of their official documents that contradict the Law of Ukraine on State Service;

—approve a Statute on the Procedure for Calculating the Time of Service of State Employees at State Bodies by 1 March 1994.

6. That the Supreme Soviet of the Republic of Crimea will bring the legislation of the Republic of Crimea into conformity with the Law of Ukraine on State Service.

Chairman of the Supreme Soviet of Ukraine I. Piyushch
City of Kiev, 16 December 1993

ECONOMIC AFFAIRS**Kravchuk Addresses Black Sea Economic Consortium**

944K0513A Kiev URYADOVYY KURYER in Ukrainian
2 Dec 93 p 3

[Text of speech delivered by President Leonid Kravchuk of Ukraine at the second session of the Parliamentary Assembly of Member States of the Black Sea Economic Cooperation Organization held in Kiev; date not given]

[Text] Esteemed ladies and gentlemen!

I sincerely welcome you to ancient Kiev in the hospitable land of Ukraine. I am confident that today's meeting will play an important role in strengthening relations and promoting greater understanding among the countries of the Black Sea region.

I am especially pleased that Ukraine was chosen as the site of the second session of the Parliamentary Assembly of Member States of the Black Sea Economic Cooperation Organization. This event is of truly symbolic significance to our country, because tomorrow marks the second anniversary of the day when the Act of Proclamation of the Independence of Ukraine was ratified by a national referendum. Despite the shortness of the period during which we have been building our statehood and setting our own foreign policy course, the process by which Ukraine has gained international recognition as an independent state and joined the world community of nations as an equal is now virtually complete.

In July of this year, the Ukrainian Parliament approved the "Principal Directions of Ukraine's Foreign Policy"—a document that sets forth the fundamental national interests of our country, the goals of our foreign policy, and the principles underlying this policy. These principles are based on the universally recognized norms

and principles of international law, the UN Charter, the Helsinki Final Act, and the Paris Charter for the new Europe.

Our foreign policy is based on pursuing an open foreign policy and a desire to cooperate with all interested states. We are building our bilateral and multilateral relations with other countries and international organizations on the principles of voluntarism, mutual understanding, equality, mutual respect, and noninterference in domestic affairs. Ukraine also adheres to the principle of the indivisibility of international peace and international security and believes that a threat to the security of any one state carries with it a threat to international security as a whole. Our country's approach in foreign policy is "security for Ukraine through security for all."

One of the key principles of Ukraine's foreign policy is our desire to attain nonnuclear status in the future. Recently the Supreme Council took a step forward in this direction, although I am convinced that this was only the first step and that we must return to this issue.

Our policy must be consistent and predictable. To make this possible, apart from all else, we need the support of the world's countries, understanding of our difficult situation, and assistance in "clearing away the impediments" that were created when the USSR collapsed, including those involving nuclear arms.

We emphasize: in following the path of nuclear disarmament, Ukraine expects to receive national security guarantees from the U.S., Russia, and other nuclear states, as well as the financial and other assistance that we need to destroy our nuclear weapons. These are not conditions, as some would like to portray them, but a foundation without which the actual process of destroying nuclear weapons may become complicated. We simply do not have the money for this. Our economic situation is difficult. We look upon our nuclear arms not as weapons but as material assets and ask for compensation. I consider this to be a normal demand.

The decision of the Supreme Council confirms that Ukraine's policy to attain nonnuclear status remains unchanged, and all the Supreme Council's earlier decisions on this issue remain in force.

This is the most important thing. We have to move forward, based on today's circumstances, focusing our attention not only on criticism of the Supreme Council's decision, but also on constructive actions.

This will produce profitable results and open up the way to new steps in nuclear disarmament. I believe that this unchanging position will enable us to find a solution that will serve the interests of the Ukrainian people, those of the world community, and the goal of the total elimination of nuclear weapons in the world.

Esteemed guests and participants in the session!

Ukraine is interested in developing mutually advantageous bilateral relations with other countries and in

expanding her role in regional cooperation and in the work of the United Nations and of other international organizations of a universal nature.

In our opinion, Ukraine's geopolitical location, the long history and cultural traditions of her people, her rich natural resources, and her large economic, scientific-technical, and intellectual potential not only allow Ukraine to view a European orientation as paramount in her foreign policy, but also to play an important role in safeguarding Europe's political and economic stability.

Having a deep-seated sense of herself as a European state, Ukraine wants to move as fast as possible "to build strong bridges" of cooperation with the countries along the entire perimeter of her borders.

It is a universally recognized truth that the international position of any state is judged primarily by the relations that it enjoys with its neighbors. That is why we have taken an unequivocal stand on this matter: we regard all of Ukraine's neighbors as priority partners.

An important component of this approach is regional and subregional cooperation. It is quite natural and essential in international relations to look for points of convergence and common interests with close neighbors, in particular with the kind of neighbors that the countries of the Black Sea region are. The notion of an opening to the sea as a country's "window" in one direction or another has now become commonplace. For Ukraine, the Black Sea serves as such an opening to the Mediterranean region, the Near East, and North Africa, not to mention the states of the Black Sea region.

Ukraine—and it gives me great pleasure to underscore this—was one of the initiators of the creation of the Black Sea Economic Cooperation Organization. The history of relations between countries in this region is measured not in years but in centuries. Since the earliest history of the Pontus Euxinus, or the "Hospitable Sea" as our ancestors called the Black Sea, there have been close and vigorous trade links and friendly relations among the peoples living along its coasts. Of course, there have also been difficult periods, but the wars and conflicts always passed and were followed by periods of peaceful cooperation.

Today, as never before, there exist exceptionally favorable conditions for the countries of this region to develop mutually advantageous cooperation in all spheres of interstate relations. By coordinating our efforts towards this end, we can transform the Black Sea region into an important area of cooperation in the new Europe.

In today's difficult times, when crisis phenomena in the economies of many countries are being exacerbated by domestic political conflicts or even armed hostilities, coordinated actions, support, and mutual assistance are especially important. We need to keep strengthening the ties that evolved over the centuries in the Black Sea region and developing them on a new basis that takes into account the new historical realities.

We are very interested in developing friendly relations and close cooperation with the countries of the Black Sea region. It is Ukraine's position that the realization of the plan to transform the Black Sea into a zone of peace and multilateral economic cooperation will in a short time create conditions conducive to expanding mutually advantageous relations in such areas as sea transport, the development of the fuel and energy and the agroindustrial complexes, health care, and the pharmaceuticals, food, and processing industries.

In our view, the progressive growth of multilateral economic cooperation in the Black Sea region will create the most favorable conditions for establishing a Black Sea foreign trade and investment bank. We should make an immediate start at further institutionalizing this cooperation, establishing permanent commissions and working groups to resolve various important issues.

To promote the expansion of political and economic relations within the framework of the Istanbul Declaration we need to work out an additional contractual and legal basis for multilateral economic cooperation aimed at fostering broad trade and economic links, the growth of entrepreneurship and business ties at the state level by making possible the free movement of goods and services. The Black Sea is already a zone that is free of nuclear weapons. The reduction of military activity by the countries of this region could be the next positive step towards creating a zone of peace, stability, and prosperity along the Black Sea coast. Unfortunately, today the waves of the Black Sea also carry human blood that is being shed along its shores.

The wider the horizons of cooperation within the framework of the Black Sea Economic Cooperation Organization become—in terms of economic relations, parliamentary contacts, cooperation in the sphere of culture—the less tolerance there will be for the existence of "hot spots" in this region. Our common and paramount goal is to put an end to the terrible advance of war.

Expanding economic cooperation in the Black Sea zone is the most effective means of strengthening trust among the countries of the Black Sea basin. The development of commercial and economic ties, increasing investments in the economies of neighboring countries, establishing the most favorable possible regimes for trade, and participating in joint economic projects will promote increased economic interdependence among states, thereby objectively reducing the threat of potentially new conflicts among them involving the use of military force.

At the same time, the expansion of mutually advantageous bilateral and multilateral economic relations is being hampered by the fact that the Black Sea zone of economic cooperation is still a zone of military conflicts. In those places where blood is being shed, other, so far unresolved, problems in the bilateral relations of a

number of countries, including the inviolability of borders, pose a potential threat to peace and stability in the region.

Given the military hostilities that are continuing inside some countries or between countries, as well as the tension that remains in the relations between some neighboring states, the growth of military activity in the Black Sea and its coastal regions is cause for grave concern. Recognizing that economic cooperation is not possible unless a climate of trust is established among the member states of the Black Sea Economic Cooperation zone and stability and security in the region are assured, Ukraine proposes implementing the following measures to build trust in the military and political spheres:

If this formula is accepted, the necessary details can be worked out:

1. That provisions for holding naval exercises be worked out with a view to reducing them, as well as reducing the number of military vessels in peacetime, thereby helping to reduce hostilities.
2. That a declaration on the sanctity and inviolability of the sea borders of the countries in this basin be adopted.
3. That the countries of the Black Sea region sign a memorandum renouncing the use of naval forces, either directly or in other ways, against one another.
4. That the countries of the Black Sea basin adopt a declaration committing them to refuse the use of their territory for acts of aggression or subversion against other Black Sea states.

The above is only an outline of our initiative. We are prepared to join in working out the details of this proposal, taking into account the interests of all interested states. What is needed is joint action and collective wisdom.

[I would also like to deal with] another issue. There is an increasingly urgent need, in my view, to concretize an environmental policy in Black Sea cooperation. It is exceptionally important to work out a convention on protecting the Black Sea from pollution. This convention should cover a wide range of issues with respect to improving the ecological state of the Black Sea and utilizing and developing the bioproductive potential of this body of water.

For Ukraine, with her first-hand experience of a real ecological disaster resulting from the Chernobyl catastrophe, the establishment of environmental safety guarantees and the implementation of a plan to improve the quality of the environment are "vital issues" in the full sense of the term. The Mediterranean countries, too, have directed their efforts at improving the environment by their recent adoption of a number of joint measures designed to accomplish this goal. If we consider that the Mediterranean and Black seas comprise a single natural organism, the need for ecological cooperation becomes obvious.

Esteemed participants in the session!

I have already stated that the ancient name for the Black Sea was Pontus Euxinus. But legend has it that it was also known by another name, Pontus Axenos, which means the "Inhospitable Sea." That was the name given it by those who came to its shores by force and with evil intent.

I believe that productive cooperation among the peoples of the countries of the Black Sea region is the best guarantee of this sea always being hospitable to them.

Allow me to welcome you once again at the start of this forum and to wish you success.

Thank you for your attention.

Kravchuk Address on General Economic, Political Issues

944K0547A Kiev URYADOVYY KURYER in Ukrainian
25 Dec 93 p 3

[Presentation by Ukrainian President L.M. Kravchuk at the Center for Cadre Skill Improvement of the Institute of State Government and Self-Government of the Cabinet of Ministers of Ukraine; no date given: "We Are Working With More Than One Day in Mind"]

[Text] It is good that we met at this difficult, even extremely complicated time for Ukraine in order to ponder together problems that need to be solved, noted the president. First of all, these are socioeconomic issues and joint actions, our position on elections.

We predicted that crisis phenomena would occur inevitably if there were to be the partition of states and reforms in society. However, we did not imagine the entire scope of the crisis.

Among the reasons for the current difficult situation, there are domestic reasons that include structural changes in industry, the establishment of new relations between enterprises within Ukraine, and reforms in the financial, banking, and credit systems. Of course, we do not have either a precise program, or an adequate number of persons capable of effecting profound transformations. After all, this is not just about the professional qualifications of people but about fundamentally new approaches and a new system of actions. This requires time, reinterpretation, and retraining.

External factors—they frequently say that, supposedly, Ukraine is some kind of a recalcitrant fellow who triggered the processes of economic breakup. Supposedly, this is one of the main reasons why the crisis has become deeper, and so on. I do not disclaim my responsibility and that of the government and other power structures for not acting precisely and consistently at all times. However, it is a mistake to believe that the cause of the crisis is solely in severing the relations. This prevents people from taking more resolute and persistent steps in

order to find one solution or another here, in Ukraine, rather than sit on the ramparts as Yaroslavna and lament the severance of relations.

I do not want this to be immediately perceived as interference in Russia's domestic processes, but you see that plants are being stopped there—tractor and combined harvester plants, cotton mills. The question is—are we the reason for that? Difficult processes are underway in both Ukraine and Russia.

There are people who say: Let us quickly get back together, and everything will fall into place: Sausage will be cheap, and everything will be problem-free. Perhaps those who talk about this desire to restore everything the way it was: "centralized," "administrative," and "power of the united force," and so on. Is this possible? It is impossible. Everybody knows this well, but instead of somehow persuading the people to think and act realistically, certain leaders and the mass media follow the path of least resistance, playing along to the mood of some people.

However, there also are examples to the contrary. For example, the Zaporozhye Motorsich plant established relations with Russia—nobody forbade it to them—and is now operating in a stable manner. The director of this plant, Bohuslayev, said correctly as he reported to the congress of industrialists that we should now find direct relations and integrate at the level of enterprises and collectives.

I see a strange picture. I receive telegrams: Give us money, do this, open that. What is this, a civilized state? Is it the function of the president to be a patron of all structures with regard to material-technical supplies?

I would like to agree with you about one issue, without analyzing the entire set of problems. How are we to come together so as not to divide now into those who are to blame and those who are not?

I am giving you the numbers. The total amount of expenditures from the state budget during nine months of this year came to almost 15 trillion karbovantsy. This exceeded revenues by more than 5 trillion. Meanwhile, 983 billion were approved for the year, let us say, 1 trillion. How is it possible to keep increasing expenditures without increasing the revenue side of the budget? Of course, it is possible if the printing press operates and continues to put into circulation money that is not backed up with anything. However, in a month to 1.5 months, ruin would be inevitable.

Ways to replenish the budget should be found promptly; the tax service should be resolutely put in order. For this I appeal directly to you. The tax service should work together with organs that are involved in this and with administrations, and mobilize revenues to all levels of the budget on the basis of law and order. We will simply not survive otherwise.

I will resolutely support you in putting the tax system in order, stopping the shipment of goods out of the country, and fighting corruption and crime.

I would like to once again revisit the question of prices. We did not have an opportunity to not raise prices, but there should be correspondence between them and remuneration for labor. However, there is a nuance: If production falls, and labor productivity falls, whereas wages increase, this is a purely inflationary process. To prevent a slump in production is the only possible way to stop the impoverishment of the people and improve their welfare. Giving the producer freedom is the only way to do this. I have proceeded to grant greater rights to regions. This has to do first of all with economic rights and freedoms and liberalization of government at the level of regions. We will also proceed to give the collectives the right to manage the resources that they have and that they are earning.

Intimidating the people with a mafia that is grabbing everything through privatization amounts to deliberately promoting tension in our society in order to stop privatization and conversion to joint-stock operations, because a plant that is given to its collective through conversion to joint-stock format operates to benefit the Ukrainian economy. The task of the state is to create external conditions for the development of production. Customs duties, taxes, price regulators, and wages should be effective. All of this is provided by the state, and the rest by the collective. That is, I would like us to agree in this critical period in the life of our state that Ukraine needs to survive economically. This will give us the power to take a step forward. Do we have grounds to say that we can survive? Definitely. However, everyone should act with initiative to this end. Had kolkhozes and sovkhozes failed to find sources of diesel fuel, lubricants, and gasoline on their own this year, I think that we would not have brought the crop in. Recently, representatives of collective farms have been approaching me; managers are asking for permission to sell products remaining on the farms and obtain in exchange diesel fuel, gasoline, and spare parts for spring work. At present, we should act as the situation warrants. If there are products and a farm wants to sell them in order to not take from the state but rather purchase on its own what it cannot get by without, this should be allowed. I am calling upon you to act accordingly in your localities. I do not see any other way, and I cannot guarantee that the state will collect foreign exchange and will be able to buy the necessary resources in a centralized manner and give them to agricultural producers.

Some people think to this day that there is a strategic course that was set forth in 1917, and some deviation from this course is now occurring which will end, and everything will return to the way it was. What will the final result of such a return be? It is blood. It is possible, after all, to analyze how the situation is developing and what outcome it may have.

In this regard, I would like to remind you of one comparison. At present, Finland, in which only five percent of the land is suitable for agricultural production feeds itself and has an opportunity to sell 30 percent of its products beyond the borders of the country. It is a civilized modern country with a high level of the culture of consumption, democracy, and protection of human rights. I will ask this question. Tell me please, had Finland remained within the great and omnipotent Soviet Union, would it now be what it is? It would be the way we now are. This is the first point. The second point: Give me the name of a single country of the former socialist system, of the former Soviet Union that is now on an equal footing with the highly developed countries of the world.

Would we now be facing this difficult situation had Ukraine been in 1991, when the Soviet Union disintegrated, at the level of economic development of, say, Japan or the United States, producing high-quality competitive products, and had it not been as it is in Ukrainian villages, whereby in Poltava Oblast alone, 100,000 houses have thatch roofs and 30 percent of the schools are suitable for classes? Everything fell apart back then, and now old problems have become extremely acute. In this situation, accusations are being leveled against independence. You have got what you wanted, they say.

I do not understand how a statesman can say from the rostrum that the state that he represents is not needed and may not exist. Meanwhile, this sometimes happens to the sound of applause. He lives in this land and does not believe in this land, does not believe in the people, and does not want to be the owner.

Some of those who call themselves democrats have now stooped to one of them mounting the rostrum and saying: "Do not give them any loans, do not give them credit." Yet another hero came up and said: "Do not admit Ukraine to European structures because human rights are being violated here." That is to say, they spit upon and tear into themselves. They yell—we are for Ukraine, we will give the shirt off our backs for it. However, pardon the expression, they will keep the pants with a pocket for deposit. This is the kind of democrats they are.

Yesterday, I met with the parties. What disturbs you, of what do you accuse the president? The Supreme Council has passed an election law. So, proceed toward the election. If the Ukrainian people love you so much they will elect you. You will engage in politics, and I will be the first one to congratulate you on your election. I will never come to the podium, and will not lecture you after that, as some gentlemen do now. They sit in a chair over there, and worked and failed, and when they moved down—they are already in the opposition, they are already teaching how to work. I will never allow myself to do this because I have honor. This is a serious matter. We are choosing the progress of our state. We should unite.

I have thus come to the election. My point of view is as follows. The law on elections exists. We may criticize it yet again, we can see its shortcomings. There are shortcomings, but the law has been approved and signed. Elections should be held on the basis of this law. We should determine our tasks in implementing the law on elections.

First, it is monitoring compliance with this law;

second, it is ensuring equal rights for all candidates;

third, it is preventing the inflow of funds not envisioned by the law from other structures in order to use them to benefit individual persons.

Further on, I will ask questions. Can we restrict ourselves to just that and not be interested in intelligent, dedicated, moderate, honest, and principled people coming to the Supreme Council? Can we stand aside?

I believe that we cannot. As not only representatives of the president, but as citizens of our state, we may, want, and have the right to do so that precisely such people come to the parliament. At present, I am not segregating them by political coloring. We need new statesmen who are capable of ensuring economic, political, and diplomatic international authority of the state; people who are capable of pursuing a policy intelligently and carrying on friendship, cooperation, and partnership with our neighbors to both the east and the west: Russia, Kazakhstan, Belarus, Poland, Hungary, Bulgaria, Romania, Germany, and other countries. That is, we should ensure the normal life of Ukraine in a worldwide, European process while at the same time implementing domestic reforms step by step.

Voices are now being heard—what is to be done, say, if we do not elect a parliament? Some people suggest—let the president then take over everything. I would like to state my philosophy regarding this question here. Can this not bring about a dictatorship? If I apply this to myself, I think that I am no dictator. I will not allow this to happen. However, who can guarantee that another man will not come after me who will use authoritarian tendencies to the hilt?

I for one have confidence in B.N. Yeltsin. The Constitution that has been adopted in Russia gives extremely great powers to the president. I believe that Boris Nikolayevich will use these powers in the interest of Russia, Europe, and the world. However, can I say that after Yeltsin this Constitution will not be used by someone in a different direction? Is there a guarantee that it will not? Nobody will give you one.

I want to be understood. If we write a Constitution and talk about democracy, we should take steps that would safeguard the people against the cataclysms in the long run because the nature of each person is embodied in the law, and the law should be such that nobody could take advantage of it contrary to the interests of his own people and the world.

This is why I take a very cautious attitude toward such questions and such proposals. There should be counterbalances. I have had a lot of unpleasantness with the current parliament. I have, but I will tell you frankly and openly: The parliament is a counterbalance to possible steps that could have brought about a different interpretation, a different vision of democracy as such. In our evolving democracy, in our evolving state only a parliament may be such a counterbalance, along with other representative organs. And you are supposed, accordingly, to counterbalance them. So, the Constitution and legislation on the power structure are still imperfect here. However, this is not to say that we should reject the significance of the parliament.

Consequently, we have to do everything in order for elections to be held and for people to come to the parliament who are responsible for the state, for Ukraine. This is our main task.

Now about your personal participation in the election campaign. I will say frankly that anyone can nominate himself as a candidate for deputy. However, everyone must weigh what he is capable of and who he draws on. There are relevant clauses in the law but they do not rule out the opportunity to take part in an election campaign.

Our initiative should be based on law and the actual situation. The time before March is going to be extremely difficult. If we overcome inflation—and we should do this—if we overcome the drop in production, if we handle all economic problems and ensure the holding of elections, and elect a professional, responsible, and far-sighted parliament, believe me, this will be a very important step toward resolving upcoming problems, economic, political, and social alike.

What has the government done? It has prepared a privatization program that has been approved by the Cabinet of Ministers. The government is now completing the drawing up of the budget and the social development plan. We want to give greater powers to regions and basic-level cities from the point of view of the sources of financing and taking advantage of realistic opportunities. A program for anti-inflationary measures has been approved. There is a program for the supply of energy resources to Ukraine during the winter-and-spring season. Work is now underway on arrangements for implementing the plan.

The documents that we have adopted are realistic for present-day conditions, and everything should be done in order for these conditions not to deteriorate. All programs will be carried out in this case. The programs in question are market-oriented, reformist programs; however, carrying them out will depend on us.

At this difficult time, I am calling on all of you to proceed from the fact that Ukraine is a state; it should be preserved. We have resources, we have potential; they should be used in the best way possible. Certainly, there were and there will be conflicts, and we will not get by

without them. However, conflicts may not, should not bring about confrontation, intimidation, menace, strike threats, and so on.

I think that if someone goes for a strike and threatens an all-Ukrainian strike, it will be the last strike—the last organized strike, and after that a perpetual strike will come. It will no longer be necessary to organize because it will no longer be possible to return to the real concerns. All those who threaten a strike so actively should know and understand this.

A way out should be sought, especially for low-income individuals; persons with many children, the handicapped, retirees, those who need our specific assistance should be helped in every way at every opportunity. In turn, for those who can work, conditions should be created such that they will be able to work and have earnings. Believe me, I see no other way.

Labor Ministry Releases Employment Statistics

944K0547B Kiev URYADOVYY KURYER in Ukrainian
25 Dec 93 p 5

[Unattributed article under the rubric "From the Editorial Mailbag": "On the Labor Market. On the Progress of the Implementation of the State Program for the Employment of the Population in 1993"]

[Text] The Ukrainian Ministry of Labor has released information on the progress of the implementation of the State Program for the Employment of the Population in the nine months (as published) of 1993 which has been received from ministries and departments, the Council of Ministers of the Republic of Crimea, oblast state administrations, and the Kiev and Sevastopol city administrations.

The employment program envisioned the introduction of 114,300 new jobs in the current year. Actually, 70,700 units, or 61.8 percent, were actually introduced during the nine months of this year. The program of job creation at enterprises of the private form of ownership was 154.3 percent fulfilled, of the mixed ownership form—115.1 percent fulfilled, of collective ownership—57.8 percent fulfilled, and of the state form of ownership—34.7 percent fulfilled.

Some 17,626.7 million karbovantry has been allocated to create additional jobs from the state fund for facilitating the employment of the populace, and 53.8 million karbovantry from the State Off-Budget Privatization Fund. The measures taken made it possible to place 150,700 people in jobs from among the nonemployed population during the reporting period, or 33 percent, compared to 27.5 percent during the corresponding period of last year.

Considerable attention was paid to the job placement of citizens who are not capable of competing in the labor market on an equal footing and for whom 317,100 jobs were reserved this year within the 5-percent quota.

The sphere of labor use expanded in the reporting period owing to the organization of paid public works. Three times as many citizens as in the corresponding period of last year (11,200) took part in these works. More than 42 percent of the citizens who engaged in such works were unemployed. A total of 306,700 man-days were put in at public works of all types, which exceeds this indicator for the period between January and September of last year by a factor of 2.4.

The invigoration of joint efforts by the Ministry of Labor, Ministry of Education, and the State Employment Center and the taking of organizational measures by them made it possible to increase considerably the volume of vocational training and retraining of laid-off employees and the nonemployed population. The Employment Service has signed cooperation agreements with more than 800 educational establishments. Between January and September of this year, 23,300 nonemployed citizens received instruction or underwent retraining.

Efforts are being made to ensure vocational retraining and to facilitate the adaptation of women and young people to the conditions of the new economic situation. In particular, the training of women has been organized at the school of entrepreneurs in the sector of small- and medium-size businesses at the Cadre Training Administration of the Ministry of Culture of Ukraine and the Institute for Skill Improvement of the Ministry of the Machine-Building Industry. Seminar training for women in fundamentals of business is being offered in Rovno, Kherson, Kharkov, and other oblasts. A total of more than 16,100 women have been referred for vocational instruction since the beginning of the year.

Certain efforts have been made this year to organize the training of servicemen discharged from the military service in conjunction with strength or authorized complement reductions and not entitled to retirement pay.

Some 1,594.6 million karbovantry has been spent for vocational training from the State Fund for Facilitating the Employment of the Population, of which 507.2 million karbovantry was for the payment of scholarships.

Nonetheless there are still many shortcomings and unresolved issues in the area of vocational training and retraining. The main directions for further work on carrying out the State Program for the Employment of the Populace in this matter were set forth at a meeting of the collegium, which was held on 24 November, of the Ukrainian Ministry of Education with the participation of representatives of the State Employment Center. In particular, it is envisioned to develop the Concept of Vocational Training and Retraining of the Nonemployed Adult Population, to establish an interdepartmental commission for the issues of vocational training and retraining, and to submit, for consideration by the leadership of the Ministry of Education and the Ministry

of Labor, proposals for the establishment and organization of the work of model centers of professional training and retraining in the regions.

The scope of carrying out program measures over these nine months has been in line with the current condition of the labor market.

In Ukraine as a whole, the unemployment rate comes to 0.28 percent of the able-bodied population of the working age. As of 1 October of this year, a total of 78,700 unemployed were registered, which is 1.3 times more than on the same date last year. More than 75 percent of them are women.

The unemployment situation is the most acute in the western region of Ukraine, where 50.2 percent of all unemployed are concentrated.

Hidden unemployment persists on a considerable scale, just as it did in the first half of this year. In July through September of this year, 759,400 people, or 16.8 percent of the average number on the payroll, were on unpaid leaves of various duration (from two weeks to one month or more) at 5,988 enterprises surveyed by the employment service.

Reviewing the issue of the progress implementing the State Program for the Employment of the Population for 1993 at a meeting of the Cabinet of Ministers of Ukraine made it possible to bring the development of the material-technical facilities of the state employment service to the attention of the state administration.

Pynzenyk Voices Recommendations for Financial Reform

94K0381A Lvov ZA VILNU UKRAYINU in Ukrainian
5 Jan 94 p 3

[Interview with People's Deputy Viktor Pynzenyk by Yevheniya Romaniv, labelled as an exclusive interview under the rubric "The Economy"; place and date not given: "Any Curved Line Is Shorter Than the Straight Line Leading Past a Superior"—first paragraph is ZA VILNU UKRAYINU introduction]

[Text] Our ill-fated economy has been left in the lurch. Our legislators are busy fighting to retain their seats as deputies for another term, while our civil servants are taking advantage of the absence of controls to do as they please, leaving people to wonder whether they are really as incompetent with respect to the laws of economics as they appear or deliberately bent on utterly destroying the economy. This situation in Ukraine was the subject of our discussion with People's Deputy Viktor Pynzenyk.

[Romaniv] Mr. Pynzenyk, what do you think the government's next decision will be?

[Pynzenyk] When I was asked this question in Washington, I joked that it would be the nationalization of women. The point I was trying to make was that the present cabinet's actions are absolutely unpredictable.

Take, for example, the telegram signed by Acting Deputy Prime Minister Yu. Zvyahilskyy and V. Yushchenko, the chairman of the board of directors of the National Bank of Ukraine, prohibiting banks from issuing credits. Imagine for a moment that the banks had actually carried out this directive—in reality, they had enough sense not to comply. Had they stopped issuing credits for even a week, production would have been completely paralyzed owing to a lack of working capital and the fact that it would have been impossible to obtain accounts receivable financing. Would the financial situation have improved as a result? There would have been a new jump in prices, an even greater shortage of goods, and a larger hole in the budget. This is not only the view from Lviv, the view of a professor and theoretician, as I am being called. In a recent speech in parliament, Mr. Melnyk, an industrialist who is the director of the Novomoskovsk pipe plant, described the government's actions as contributing to the collapse of the economy. But then every director and every worker will tell you the same thing.

[Romaniv] Do you intend to return to the government?

[Pynzenyk] Only if it works as a team. I have personal experience working in an ill-assorted cabinet. I had never imagined politics to be such a dirty business. I think that one of the government's problems is its poor relations with the deputies. Most deputies do not read the drafts of decisions; if these acts were explained to the deputies, they could be counted on to support them. Many matters in the Supreme Council are decided in the smoking room, but one has to be present there. Government officials need to come more often to the delegations and the parliamentarians to the government officials.

Many good decisions were passed while I was a member of the Cabinet of Ministers, but we were not able to supplement them and put in place the necessary mechanisms. As a result, some decrees proved ineffective.

[Romaniv] On the other hand, many of the government's other actions succeeded in doing their dirty work—they drove production into a blind alley. Given the authority, what would be the first things you would propose to improve the fundamental laws governing the economy?

[Pynzenyk] As you can see, the first not to survive the torture was the financial system—it virtually died. Reviving the state's economic organism requires an infusion of new blood. In economic terms, this means money. But the existing credit policy is not capable of curing the situation. Here is why: the banks offer an interest rate of 300 percent to enterprises and individuals on their deposits and extend loans at 600 percent. But do not rush to condemn them for setting overly high interest rates on credit. To borrow money at this rate, you also have to give the bank a good bribe. Let us do some calculating: I borrowed one billion karbovantsi and bought goods, the price of which increased 65-fold in a year. Thus, without doing anything, I have 65 billion karbovantsi. I repay the bank 7 billion officially (the one billion I borrowed and six billion in interest) and of the

remaining profit of \$8 billion, I give the bank something unofficially, either because we had a gentleman's agreement to that effect, or because I understand that business has to stay on good terms with such a wealthy outfit. Given this situation, why spend money investing in production when one can prosper engaging in such middleman operations?

Thus, the cheaper the price of credit from the National Bank, the greater the profits that sit in commercial banks and the faster the pace at which the business of speculation grows fat. What do we need to do to make such middleman operations less profitable? The interest rate on such credit must be the same as the rate of inflation. This will make it unprofitable for me to hold on to goods, because I will have to give back everything I make selling them in interest to the bank. This will also solve the financial problem, because funds will be saved and invested in the production sector.

I would also recommend that credits be issued mainly through auctions. And only when secured by property. The flaw in the command-sectorial allocation of finances is best described by the army expression that any curved line is shorter than the straight line leading past a superior. You know, when I was demonstratively resigning from the government, one official said to me in a conciliatory fashion: "If you want, we'll divide up the currency together." That is not what I want. Because whenever the dividing up is being done by a civil servant, something always sticks to his hands. There is always someone who must be accommodated first, always someone who wants much more and is prepared to split a portion of what he gets. Currency should be divided up by those who can afford to buy it.

But the market system of advancing credit will produce no results without free prices. There is no need to fear liberalizing them when credit flows are restricted. Why are people opposed to the liberalization of prices? Because they do not understand what this means. The prices of goods are rising because the flow of freshly printed money is not restricted in any way. Last year, for example, the money supply increased severalfold. When the printing of money is restricted, expenditures are also placed under control and prices stabilize as a result. If prices do not cover costs, bankruptcy ensues. This financial insolvency makes it necessary to change owners.

This brings us to privatization. This should be started—by force, if necessary. But as part of a package involving the destatization of the distribution of circulation and trade. This is especially important in the current conditions of hyperinflation. After all, the revaluations of goods are not producing the expected results, because large sums of money are moving from state to private pockets. A seller, knowing that the price of cigarettes will double tomorrow, will pay for them today and sell them tomorrow, pocketing the difference. As long as there are two pockets—one belonging to the state and the other to private individuals—trade will remain in disarray. Such machinations make no sense in a private store.

These are the problems on which I would like to work in parliament—I plan to run again in the coming election—as well as in the government, if it is a reformist and market-oriented government.

Decree on Measures for Stabilizing Socioeconomic Situation

94KD522A Kiev GOLOS UKRAINY in Russian
28 Dec 93 p 2

["Decree of the Supreme Council of Ukraine: On Measures To Stabilize the Socioeconomic Situation in Ukraine"]

[Text] Having heard and discussed a report by Minister of the Economy of Ukraine R.V. Shipak on the implementation of proposals by people's deputies of Ukraine concerning additional measures to stabilize the socioeconomic situation in Ukraine as outlined in the appendix to Decree of the Supreme Council of Ukraine dated 17 December 1993 "On the Economic and Social Situation in Ukraine," the Supreme Council of Ukraine resolves:

1. It shall be suggested that the president of Ukraine:

- among the Edict of the President of Ukraine dated 11 December 1993 "On Measures To Complete the 1993 Budget," bringing it into compliance with the laws of Ukraine;
- before 1 January 1994, repeal Point 3 of the Edict of the President of Ukraine dated 2 November 1993 "On Additional Measures To Improve Currency Regulation" insofar as it refers to the temporary suspension of trading on the Ukrainian Interbank Currency Exchange;
- in keeping with Point 9, Article 97 and Point 6, Article 114-5 of the Constitution of Ukraine, present, without delay, a candidate for the position of prime minister of Ukraine for confirmation by the Supreme Council of Ukraine.

2. The Cabinet of Ministers of Ukraine shall be obligated to:

- exempt enterprises, offices, and organizations from payment of the amounts of excess over the calculated consumption fund and fines for exceeding this fund, effective December 1993;
- before 1 February 1994, develop uniform procedures for the generation of consumption funds by enterprises, offices, and organizations of all forms of ownership;
- retract the telegram of the Cabinet of Ministers of Ukraine dated 3 December 1993 on reappraisal of the balances of commodity and material assets;
- retract the telegram of the Cabinet of Ministers of Ukraine and the National Bank of Ukraine dated 2 December 1993 on prohibiting the extension of all loans by bank establishments;

- develop, before 1 January 1994, arrangements for targeted allowances for low-income citizens, and submit the draft Law on the Low-Income Line to the Supreme Council of Ukraine for consideration;
 - before 1 January 1994, submit a list of goods on which the excise tax is to be established and the scope of rates of the excise tax on these goods to the Supreme Council for consideration;
 - before 15 January 1994, submit a projection of the growth of wholesale, procurement, and retail prices for the next year, with reasons for such growth indicated, to the Supreme Council of Ukraine for consideration;
 - before 1 February 1994, submit to the Supreme Council of Ukraine a program for structural changes in the national economy of Ukraine;
 - submit to the Supreme Council of Ukraine, for consideration, drafts of legislative acts which are necessary to implement the proposals outlined in Point 11 of the appendix to the Decree of the Supreme Council of Ukraine dated 17 December 1993 "On the Economic and Social Situation in Ukraine";
 - within one week, develop recommendations concerning arrangements for the self-supply of fuel and energy resources to enterprises, offices, and organizations in 1994 and settlements for them;
 - before 10 January 1994, submit to the Supreme Council of Ukraine draft laws on amendments to the Decree of the Cabinet of Ministers of Ukraine No. 19-92 dated 15 December 1992 "On Additional Regulation of Leasing Relations" and the Decree of the Cabinet of Ministers of Ukraine No. 57-93 dated 20 May 1993 "On the Privatization of Integrated Property Complexes of State Enterprises and Their Structural Subdivisions Which Have Been Leased."
3. It shall be established that the preferential bank loans of the government shall be provided by decisions of the Cabinet of Ministers of Ukraine solely for priority sectors within the limits of funds envisioned in the 1994 budget to defray expenditures for the payment of interest rates to commercial banks.

The Cabinet of Ministers of Ukraine shall set forth a list of authorized banks for implementation of said priority programs.

4. The National Bank of Ukraine shall be obligated to:
- before 1 January 1994, retract telegram No. 19010/2170-7344, dated 6 December 1993;
 - before 1 January 1994, submit to the Supreme Council of Ukraine a draft legislative act concerning reinforcement of the responsibility of commercial banks for meeting the requirements of

Ukraine's legislation, including a list of causes for which the operations of commercial banks may be suspended.

5. Amendments shall be made to the Decree of the Supreme Council of Ukraine dated 25 June 1993 "On Standards for the Circulation of Negotiable Instruments in Ukraine," by way of wording Point 3 of said decree as follows:

"In the event that the standard for duration of payment processing is exceeded, a penalty shall be debited without acceptance from the servicing bank of the payer for each day of delay: by the tax inspectorate—at the rate of 5 percent of the amount of payment, to be credited to the state budget, and by the payer of funds—at the rate of 2 percent of the amount of payment. The bank shall enjoy the right to debit without acceptance the amount of penalty paid from establishments that are to blame for exceeding the standard duration of payment (the Ministry of Communications of Ukraine, the payee bank)."

6. The National Bank of Ukraine and the Cabinet of Ministers of Ukraine shall, before 17 January 1994, submit to the Supreme Council of Ukraine the draft Law of Ukraine on Amendments and Additions to Ukraine's Legislation on Currency Regulation.

[Signed] Chairman of the Supreme Council of Ukraine I. Pyushch

Kiev, 23 December 1993

Ukraine Strikes Barter Arrangement With Russia for Cost of Natural Gas

944K0522B Moscow SELSKAYA ZHIZN in Russian
31 Dec 93 p 1

[Unattributed article: "Toward Repayment of the Debt"]

[Text] Nikolayev—Four large refrigerating trawlers will be turned over to fishermen of the Far East toward repayment of a proportion of the debt of Ukraine for natural gas to the Gazprom concern of the Russian Federation. The crews of these vessels are scheduled to arrive in Nikolayev shortly. The Ukrnefteprodukt association will refund the cost of the vessels in karbovantsy to the shipyard. This impressive barter operation between the two CIS states became possible as a result of negotiations initiated in Moscow and Kiev by specialists from the Black Sea Shipbuilding Plant. During the negotiations, opportunities for the delivery of a total of 15 trawlers with similar arrangements for mutual settlements was discussed.

Union Leader Opposes Strike Call

944K0563A Kiev MOLOD UKRAINY in Ukrainian
6 Jan 94 p 1

[Interview with Oleksandr Stoyan, head, Federation of Ukrainian Trade Unions, by Volodymyr Oliynyk, correspondent: "Stoyan Does Not Believe in a Mass Strike, But He Does Believe in Cooperation Among All Trade Unions: A Timely Topic!"]

[Text] Protest actions by the trade unions comprised the subject of the following conversation between our correspondent and Oleksandr Stoyan, head of the Federation of Ukrainian Trade Unions.

[Oliynyk] Mr. Stoyan, could you tell us how the branches of government reacted to the recent protest actions by the trade unions?

[Stoyan] Let me remind you that these protest actions lasted for an entire week. They took the form of meetings, picketing the state administrative offices of the presidential representatives in various localities, and collecting signatures in opposition to the government's anti-social policy. At the same time, we were endeavoring to find a compromise with the government side. And such a meeting did take place. The government delegation was headed up by Acting Prime Minister Yukhym Zvyahilakyy, while our side was led by members of the Federation of Trade Unions Presidium and by leaders of those trade-union associations which do not belong to our Federation.

We set forth 11 specific demands. After a lengthy and difficult discussion during the ensuing week, the Cabinet of Ministers issued several responses. One of them proposed that a joint investigation be made—together with the trade unions—as to who had actually raised the prices. For the state had announced a two- or three-fold price hike, whereas, in fact, they rose three-, five- and even eight-fold.

Working groups were also created. In addition to this, the government sent commissions to 10 Ukrainian cities; thanks to their work, prices were lowered by 20-25 percent in some oblasts. We pushed our demands with regard to stabilizing production. One of the demands, which we had not succeeded in implementing for an entire year—and which consisted of revoking the penalty fines for overdrawing the consumption fund—was likewise met.

In parallel fashion we worked with deputies of the Supreme Council. In the first place, we found a common language with them. Whereas measures regarding stabilization of the socioeconomic situation in Ukraine were listened to attentively, a certain person proposed that this information be taken into account and the session continued.

However, most of the deputies listened closely to the telegram from the FPU [Federation of Ukrainian Trade Unions] concerning our decisive actions, along with

telegrams from the localities which had been sent by the trade-union organizations. And under such pressure the Supreme Council set up and approved a commission. Because of the week's summaries of this commission's work and under pressure from the grass roots, the Supreme Council adopted the Decree "On Measures To Stabilize the Socioeconomic Situation in Ukraine."

[Oliynyk] As far as we know, this December decree by the Supreme Council encompassed all the demands made by the FPU. If that is so, is this the first serious victory by the FPU or—to put it more precisely—for those who are at or below the poverty level?

[Stoyan] Inasmuch as the Supreme Council's Decree is a law for the Cabinet of Ministers, the latter must now carry out its obligations in this regard.

Among other things, such obligations include the following: exempt enterprises and other institutions from the need to pay penalty fines for exceeding the consumption fund; revoke the telegram sent by the Cabinet of Ministers with regard to prohibiting banks from issuing any kinds of credits; work out a mechanism for aiding citizens in straitened circumstances. The matter of the government—together with the trade unions and the state administrations in the localities—introducing normative distribution of foodstuffs for the most harshly affected levels of the population is being looked into. Therefore, it can be said that the protests by the FPU and other trade unions have, for the first time, brought about a victory with regard to people's social protection.

[Oliynyk] Mr. Stoyan, what is your prognosis with regard to the strike activities at Ukrainian enterprises?

[Stoyan] The FPU is not calling for a strike. We are proceeding along a different path, a path of pressure, talks, and negotiations—a path of working together with all levels of the state power structure.

A strike is being called for by the Ukrainian Free Trade Unions. But everybody understands that their demands are unrealistic. Judge for yourselves: They are demanding wages which would raise the standard of living, but they do not want to think about where the money is to come from. They are threatening to stir up the people to strike on 18 January! Moreover, they are making the following political demands: resignation of the government, a new prime minister, and even resignation of the president. I don't know whether they will be able to rouse people by such slogans. People are already fed up with politics; what they really want is a real piece of bread.

Therefore, I am quite convinced that this is just one more bluff on the part of those trade unions which pay no attention to reality, but merely call for strikes.

[Oliynyk] Let's imagine that this "bluff"—as you call it—does indeed take place. Would the percentage of strikers be large?

[Stoyan] In my opinion, this percentage would be very small. Well now, there could be a certain number of miners; there could also be some transport workers and airline dispatchers. That is to say, such strikers would include those workers who belong to the Ukrainian Free Trade Unions. This would be quite a small percentage of the total. But I would not want even such a strike to take place because it is no longer our goal to tear down the state. We would do better to think about cooperating with it.

Incidentally, our demands were not for the purpose of tearing down the state, but instead we were working to improve production. Nor were we striving to extract subsidies—of which there are no longer any sources in any case. Even if such a strike were to take place, it would not have any influence. It could be only a political type of strike, a political game on the eve of the upcoming elections.

Establishment of Economic Ties With Tunisia Viewed

944K0336A Kiev DEMOKRATYCHNA UKRAYINA
in Ukrainian 15 Dec 93 p 3

[Article by Oleksandr Pobihay, DEMOKRATYCHNA UKRAYINA special correspondent, under the "Foreign Assignment" rubric: "Ukraine-Tunisia: Bridges Spanning Centuries"]

[Text] Before my departure to Tunisia, I had the following dialogue with my three-year old grandson:

"Grandfather, where are you going?"

"To Africa."

"So will you see Barmaley [a fictional character in children's poetry—a savage who lived in Africa]?"

I did not venture to dispute this assumption. After all, it is known that the standard of awareness is equal to the standard of being informed. For my Sashok, Africa, according to Korney Chukovskiy, is so far associated with Aybolit and a gang of pirates, and for a representative of the older generation—at the very most, with the Days of Solidarity with the countries of the black continent which until recently were held at the highest state level.

As is known, it is not easy to debunk established stereotypes, even now that the "information boom" has overcome us. It has been said: Those who want, hear. Consequently, at the very least, a desire is needed. The wish to give the myths their due and to evaluate present-day realities does not develop until later.

"And the City Was Called Carthage...."

For members of the first official delegation of Ukraine, the words of Guy de Maupassant—"In Tunisia, you find out for your yourself what history is"—materialized by way of

unforgettable personal impressions, which confirmed the old truth: Seeing is believing....

The imperishable linkage of times is traced here through ancient monuments and traditions, folk customs and names. The palace residence of President of Tunisia Zine El Abidine Ben Ali, where he held negotiations with L. Kravchuk, has the official name of "Carthage," which is derived from the city-state of Carthage founded 3,000 years ago on the North African coast of the Mediterranean Sea. This is also the name of a hall in the national gallery—the Bardo museum, which stands beside the Chamber of Deputies (the Tunisian parliament) and in which the most unique and the largest collection of ancient mosaics in the world is kept. In particular, its exhibits include the only depiction of Virgil, the author of the Aeneid, surrounded by mythical goddesses.

In that hall, I could not help recalling the lines from the Aeneid by I. Kotlyarevskyy, which I remembered from the time back in school:

"Dido lived in the city,/ and the city was named Carthage...."

To be sure, it is not known for certain where the "Ukrainized" Aeneas made landfall together with his company. However, as one of my colleagues joked, it is not ruled out that this happened at an old fort in the city of Hamamet, which our delegation visited.

We did not meet there the modern descendants of the "energetic fellow"; however, the hosts in this resort town clearly could not complain about a shortage of visitors. Everything suggested that the favorable Mediterranean climate and the high standard of the local "recreation industry" lure there numerous tourists from all continents. As we learned later, every year almost 4 million people visit Tunisia, whose coastal zone stretches over 1,500 kilometers. They are the ones who "contribute" the lion's share of revenues to the state treasury.

Thirty-Seven Years and Two Years

It is best to learn about a so-far unknown country and its people through analogies and contrasts: On this point, they are the same as we are, and on that point, we are not similar. First of all, Ukraine and Tunisia share a similar historical lot, the main landmarks of which lie in the centuries of struggle for national liberation and the assertion of their own statehood. The Republic of Tunisia was proclaimed independent 37 years ago, and Ukraine—two years ago.

Just as in our country, the parliament and the president will be up for election next year. However, the political and economic situation in Tunisia gives no grounds for conclusions concerning possible radical changes. Existing government structures have been fruitfully cooperating with the constructive opposition, the emergence of which they themselves facilitated with a view to the democratization of society. If nothing else, the fact

that the ban on the Communist Party, which for a long time had been operating illegally, was lifted in Tunisia testifies to this.

Evident favorable changes also occurred in the economy. Thanks to them and a balanced foreign policy, Tunisia is playing a leading role in cooperation between the states of northern Africa and southern Europe, and is respected in the Arab world and among the countries of the Maghreb. The headquarters of the Palestinian Liberation Organization is located here.

In evaluating the results of his official visit to Tunisia at a press conference, L. Kravchuk stressed that Ukraine views relations with that country as one of the priority directions in its African policy. This is facilitated by the proximity of Tunisia to our borders, its economic potential, and the place it occupies in the Mediterranean region, at a juncture of European, African, and Asian routes.

As we ascertained during the trip, the establishment of strong ties to the Republic of Tunisia has not only geopolitical but also promising economic significance for Ukraine. This is especially important at present, when our country is looking for partners in extensive, long-range cooperation.

Experts believe that Ukraine may deliver to Tunisia products of the metallurgical industry, machine and instrument building, shipbuilding, and farm machinery. We were told that Ukrainian specialists in the field of water management construction have been working there fruitfully for a long time, and have already built many facilities. However, at the same time we also learned that for almost 30 years, they have been doing all this work within the framework of agreements between the former USSR and Tunisia. Therefore, the funds that they have earned so far have gone, in particular, to Russia and to maintain its embassy.

V. Khorev, chairman of the State Committee of Ukraine for Water Management, said: "The situation is now changing fundamentally. We have concluded an agreement on cooperation in this sector and established a program for joint work until the year 2010."

Minister of Transportation O. Klympush signed, with his Tunisian opposite number, a government-to-government agreement on air transportation, which envisions the opening of air flights between the capitals of our countries, and also specifies flight rights through Tunisia to the countries of Africa and South America.

The business circles of the two countries also came to an understanding, reaching an agreement on cooperation between the Union of Entrepreneurs and Merchants of Tunisia and the Chamber of Commerce and Industry of Ukraine. Its chairman, O. Mykhaylychenko, informed journalists that an exhibition of Tunisian goods will be held in Kiev as early as March of next year.

Minister of Foreign Economic Relations of Ukraine A. Slepichev stressed: "Tunisia is one of the few partners of ours with which we have a positive balance of trade. Over nine months, exports from Ukraine exceeded imports from this country by almost \$19 million. It is also noteworthy that the commercial and economic agreement between our countries envisions most-favored-nation treatment in partnership relations and the defense of investors of the two parties, and establishes forms of settlements both in freely convertible currencies and other forms of payment."

The Goal Dictates Deadlines

The great scope of industrial and civilian construction is one of the characteristic features of Tunisia. For example, a new city that is called here a "21st-century city" is being built in the vicinity of its capital, at the location of the drained lake Buhayrat. Although it does not have all that many new buildings, one tends to believe that it will be built on time.

We also ascertained this during a visit to a new pharmaceutical plant in Tunis, which operates and continues to develop. The goal—to provide all necessary drugs for the country—dictates construction deadlines.

There are things for us to learn from the Tunisians. Having rid themselves of economic dependence upon other countries, they do not sever mutually advantageous relations with them. It is precisely on the principle of such mutual interest that a textile combine in the city of Sousse operates. State-of-the-art equipment for it was delivered from many European countries, and cotton is delivered from various regions of Asia and Africa. Such examples are many. Therefore, the standard of living of Tunisians is much higher than in other African states. On the average, the income of each resident of the country comes to \$1,600 a year. This is not a great deal, but, as the saying goes, there are other indicators, too.

As they build a new country in Tunisia, Tunisians, by all signs, are well aware that they will not do without assistance from other states; hence the desire to cooperate with Ukraine. For example, at present more than 200 students from Tunisia study at our colleges. One of them, Qah La'wi Majid, a graduate of the Kiev Institute of Foreign Languages, accompanied us as a representative of the Tunisian Information Agency for international relations. He returned to the motherland two years ago with his wife, our fellow Ukrainian Olenna Ustymenko. Their lot has been happier than that of the mythical Aeneas and the goddess Dido who founded Carthage. On the eve of our departure, Majid told us that an addition to his family is expected soon....

Good luck to them, young representatives of the two friendly peoples who have embarked on the path of independence and cooperation.

FROM THE EDITORIAL OFFICE: We take this opportunity to express our profound gratitude for the hospitality and assistance given to journalists from

Ukraine during their travel in the country by the staff of the Tunisian Information Agency for international relations. We hope that the experience of Tunisia, in particular of the Ministry of Information of that country in providing state support for the national press, will also become a subject of study and be borrowed by Ukraine.

Decree on Regulation of Prices, Tariffs

934K0525A Kiev URYADOVYY KURYER in Ukrainian 7
Dec 93 p 2

[Decree of the Cabinet of Ministers of Ukraine No. 978 issued on 3 December 1993: "On Regulating Prices and Tariffs"]

[Text] In order to curb the sharp rise of prices and to compensate enterprises for expenditures connected with the increase in the cost of energy supplies imported into Ukraine, the Cabinet of Ministers of Ukraine hereby RESOLVES:

1. That ministries, departments, the Council of Ministers of the Crimean Republic, and the oblast and Kiev and Sevastopol city state administrations use the powers granted them to institute more stringent controls over the setting and applying of prices by enterprises and organizations by means of encompassing more fully the production, goods, and services that are subject to state regulation of prices and rates, introducing advance declaring of changes in prices and rates for essential production, goods, and services, and periodically verifying compliance with state price discipline.
2. To establish that the raising of prices and rates that are fixed and regulated by the state by enterprises on the basis of unjustifiably overstated costs for which there is no provision in the Fundamental Regulations Regarding the Composition of Production Outlays (Turnover) and the Formation of Financial Results at Ukraine's Enterprises and Organizations, which were approved by Decree No. 764 of the Cabinet of Ministers of Ukraine of 19 September 1993, constitutes a violation of state price discipline and is subject to sanctions stipulated in acting legislation on price formation.
3. To establish the maximum increases in the prices and rates of consumer goods and services as set forth in the Addendum.
4. To establish effective 6 December 1993 that the maximum coefficient of increase for rates in the basic communications services serving the needs of the national economy (as listed by the Ministry of Communications and approved by the Ministry of the Economy) is to average 3 in relation to the rates in effect in November 1993.
5. To make the following changes and additions to Decree No. 715 of the Cabinet of Ministers of Ukraine of 23 December 1992 "On Regulating Prices" (ZP UKRAYINY 1993, No. 1-2, p. 26):

In Addendum No. 2 "The Powers of State Executive Organs To Establish Prices and Rates for Certain Kinds of Production, Goods, and Services" as worded in Decree No. 403 of the Cabinet of Ministers of Ukraine of 3 June 1993:

add the following paragraph to point 1:

"wholesale prices of gas and gas products for producers and suppliers as submitted by the State Oil and Gas Committee [Derkomnaftohaz];"

add the following paragraph to point 6:

"on international conveyance of passengers and baggage by rail, as well as the conveyance of passengers and baggage within the boundaries of Ukraine by company and rapid trains [firmovi ta shvydki poyizdy];"

add the following paragraph to point 8:

"the maximum amount of trade and supply-sale [postachalno-zbutovi] markups on domestic and imported medicinal supplies and medical products sold by retail enterprises that are not part of the Farmatsiya Association";

add point 17 worded as follows to the Addendum:

"17. The Ministry of Finance in coordination with the Ministry of the Economy and the National Bank approves the prices of precious metals in products and scrap and precious stones bought from the population."

To add to the list of products, goods, and services for which the Ministry of the Economy may institute state controlled prices and rates (Addendum No. 1 to the Temporary Statute on State Regulation of Prices and Rates, approved by Decree No. 715 of the Cabinet of Ministers of Ukraine dated 23 December 1992 as worded in Decree No. 403 of the Cabinet of Ministers of Ukraine dated 3 June 1993) the following paragraph after paragraph five:

"transportation and communications."

In the twentieth paragraph of the list of products, goods, and services for which producer enterprises must declare changes in prices and rates (Addendum No. 2 to the Temporary Statute on State Regulation of Prices and Rates, approved by Decree No. 715 of the Cabinet of Ministers of Ukraine dated 23 December 1992 as worded in Decree No. 403 of the Cabinet of Ministers of Ukraine dated 3 June 1993) to replace the words "Milk and all milk products" with:

"Milk and all milk products, with the exception of condensed milk and cream with additives or without."

6. To declare as no longer in force:

Decree No. 469 of the Cabinet of Ministers of Ukraine dated 23 June 1993 "On Restrictions on Trade and Supply-Sale Markups";

points 1 and 2 of Decree No. 676 of the Cabinet of Ministers of Ukraine dated 30 August 1993 "On Changes in the Regulation of Prices and Rates";

point 2 of Addendum No. 2 "The Powers of State Executive Organs To Establish Prices and Rates for Certain Kinds of Production, Goods, and Services" to Decree No. 715 of the Cabinet of Ministers of

Ukraine dated 23 December 1992 (as worded in Decree No. 403 of the Cabinet of Ministers of Ukraine dated 3 June 1993).

[Signed] Acting Prime Minister of Ukraine
YU. ZVYAHILSKY
Minister of the Cabinet of Ministers of Ukraine
I. DOTSENKO

ADDENDUM

to Decree No. 978 of the Cabinet of Ministers of Ukraine

dated 3 December 1993

Maximum Amounts

Of Price and Rate Increases on Consumer Goods and Services

	Maximum Retail Prices and Rates in Karbovatant	Date on Which Retail Prices and Rates Take Effect (1993)
coal and coal briquettes, per metric ton	48,000	6 December
household furnace fuel, per metric ton	150,000	6 December
lighting gas, per liter	1,000	6 December
gas from mains (sityovyy) (in the absence of gas meters):		
for household needs (except for heating individual buildings), per cubic meter	90	6 December
for heating individual buildings, per cubic meter	38	6 December
condensed gas:		
in tanks, per kilogram	670	6 December
in collective-use reservoirs, per kilogram	400	6 December

	Maximum Consumption Level per Subscriber per Month, in kilowatt-hours	Price, in karbovatant per kilowatt-hour		Date on Which Retail Prices and Rates Take Effect (1993)
		up to maximum consumption level	above maximum level	
Electric energy supplied for municipal and everyday needs of consumers (kilowatt-hours), residing in:				
rural population centers	75	50	180	1 December
urban population centers (except in buildings with permanently installed electric ranges and electric heating)	75	90	180	1 December
urban population centers (in buildings with permanently installed electric ranges and electric heating)	190	60	180	1 December
garden plots, garden-building cooperatives, garden associations [sadovi dilyanky, sadovo-budivelni kooperatyvy, sadovi tovarystva]	10	90	180	1 December
garage-building cooperatives, garages for privately owned automobiles	2	90	180	1 December

	Maximum Rates and Coefficients in Relation to Prices and Rates in Effect in November 1993	Date on Which Retail Prices and Rates Take Effect (1993)
municipal and everyday services:		
water and sewerage	1.7	1 December
thermal energy for hot water supply	1.7	1 December
thermal energy for central heating	1.7*	1 December
rent	70 karbovantsi per square meter of total living space*	1 December
passenger transport services:		
conveyance of passengers and baggage by rail (with the exception of suburban transport, as well as conveyance of passengers and baggage by company and rapid trains) inside Ukraine	3	6 December
by bus, streetcar, trolleybus	100 karbovantsi per trip	6 December
by subway	150 karbovantsi per trip	6 December
communications services (as listed by the Ministry of Communications and approved by the Ministry of the Economy)	average 2	6 December

*Based on the norm of 21 square meters of living space per leasee and each family member and an additional 10 square meters per family, as well as in renting a one-room apartment. The rate for living area above this norm and for heating this space (except in the case of one-room apartments) is doubled.

	Maximum Coefficient in Relation to the Minimum Wage	Date on Which Retail Prices and Rates Take Effect (1993)
Monthly payment for residing in student dormitories, including bedding:		
for students, graduands, and those enrolled in preparatory departments of higher educational institutions	0.04	1 December
for students and graduands of technical schools	0.03	1 December
for graduate students and persons working on doctoral degrees sent by higher educational institutions to take exams	0.1	1 December

Note. Instructors and employees of educational institutions on official business, graduate students, persons working on doctoral degrees, clinical practitioners, interns, and persons attending courses to raise their qualifications pay for the use of living space and municipal services at the rent rate established for buildings belonging to the state housing fund. For these categories of residents, the amount paid for a bed, if they do not occupy a separate room, and for the use of bedding is set by the administration of the given institution in coordination with the trade union organization, but this amount may not be less than the amount set for students of higher educational institutions. The Ministry of Education, the Ministry of Health, and other ministries and departments that have educational institutions differentiate (dyferentsiuyut) the cost of living in dormitories within the bounds of the maximum payment.

	Maximum Amount of Profitability (as percentage of production cost)
bread and bakery products made of first and second grade wheat flour and rye flour, bread and bakery products made of a mixture of first and highest grade wheat flour (containing no more than 50 percent of highest grade wheat flour), and bread and bakery products for diabetics	15
wheat and rye flour ^a	10
children's food ^a	25
medicinal supplies and medical products (on the list compiled by the Ministry of Health in coordination with the Ministry of the Economy) ^{aa}	20
rates for distribution of periodical publications	10

^aRetail markups on bread and bakery products made of first and second grade wheat flour and rye flour, bread and bakery products made of a mixture of first and highest grade wheat flour (containing no more than 50 percent of highest grade flour), bread and bakery products for diabetics, and children's food are set by the Ministry of the Economy, while those on wheat and rye flour are set by the Council of Ministers of the Crimean Republic and the oblast and Kiev and Sevastopol city state administrations for all trade enterprises regardless of forms of ownership.

Within the set levels of profitability of production and trade markups, the Council of Ministers of the Crimean Republic and the oblast and Kiev and Sevastopol city state administrations have the right to lower the amount on individual kinds of this production taking into account local production and sales conditions.

^{aa}Regulated retail prices are set on the basis of wholesale prices, which are formed taking into account profitability at 20 percent of the production cost and adding the trade markup, the maximum amount of which is set by the Farmatsiya oblast production associations in coordination with the Council of Ministers of the Crimean Republic and the oblast and Kiev and Sevastopol city state administrations.

When these medicinal supplies and medical products are sold on a physician's prescription, a 10 percent discount is given.

[Signed] Minister of the Cabinet of Ministers of Ukraine

I. DOTSENKO

Economic Statistics Reported for January-October 1993
944K0512A Kiev URYADOVYY KURYER in Ukrainian
23 Nov 93 p 6

[Report issued by the Economic Department of the Cabinet of Ministers of Ukraine under the rubric "The Economy": "The Economy of Ukraine in January—October 1993"]

[Text] The economic situation in Ukraine remains extremely critical. Industrial production is continuing to fall, the financial state of enterprises and organizations is worsening, Ukraine's state budget deficit is growing, and monetary emission is sharply rising, further exacerbating the economic crisis in the country.

EXECUTION OF THE BUDGET

The state budget continues to be heavily burdened by inflation, which is causing the deficit to continue climbing sharply. This deficit is being financed with credit flows from the National Bank.

Consolidated budget revenues for January—September totalled 16,897 billion karbovantsi. The budget was supplemented by an additional 6,065 billion karbovantsi in bank credits used to finance the planned deficit and a number of other expenditures. Of this sum, 5,603 billion karbovantsi were credits issued by the National Bank and 760 billion karbovantsi were issued by the Prominvestbank of Ukraine.

Value-added tax brought in 6,315 billion karbovantsi, profits tax from enterprises and organizations—4,398 billion, excise taxes—773 billion, personal income

taxes—746 billion, contributions from enterprises and organizations to the Fund for Implementing Measures To Liquidate the Effects of the Chernobyl Catastrophe and To Provide Social Security for the Population—700 billion, and income from external economic activity—635 billion karbovantsi.

The mobilization of revenues into the budget is proceeding with difficulty: a substantial number of enterprises, organizations, and institutions, as well as private citizens, violate the tax laws, underreport their real income and profits, and fail to make payments into the budget in due time. Seventy percent of all taxpayers who have been audited were found to have violated the tax laws.

In January—September, late payments into the budget totalled 1,334 billion karbovantsi.

During the nine months in question consolidated budget expenditures amounted to 20,544 billion karbovantsi.

In the execution of Ukraine's consolidated budget, expenditures exceeded revenues by 3,647 billion karbovantsi.

The state budget for January—September was executed in terms of revenues in the amount of 9,086 billion karbovantsi and in terms of expenditures, in the amount of 13,699 billion karbovantsi.

Value-added tax brought in 3,308 billion karbovantsi, profits tax from enterprises and organizations—1,781 billion karbovantsi, and excise taxes—342 billion karbovantsi.

Outlays for social security measures totalled 1,239 billion; education, culture, health care, physical culture, and sports—897 billion; defense—979 billion; science—197 billion; and the national economy—3,749 billion karbovantsi.

Bank credit resources were used to extend 865 billion karbovantsi in loans to the Pension Fund for pension payments, 270 billion karbovantsi for subsidies to the coal industry, 2,578 billion for subsidies and price indexation in the agroindustrial complex, 750 billion for replacement of material reserves, and 1,601 billion karbovantsi for other measures.

These loans included, total expenditures in the state budget in the nine-month period amounted to 14,378 billion karbovantsi and exceeded revenues by 5,281 billion karbovantsi as against the approved budget deficit for the year of 983 billion karbovantsi.

EXTENSION OF CREDIT TO THE NATIONAL ECONOMY

On 1 October, the amount of credit extended by Ukraine's banks (financial obligation on loans) totalled 37.9 trillion karbovantsi, of which 7.5 trillion had been granted by the National Bank and 30.4 trillion by commercial banks.

Credit extended by branches of foreign commercial banks from former soviet states amounted to 73.5 billion karbovantsi.

During September, the amount of extended credit increased by 9.1 trillion karbovantsi (32 percent), of which the amount extended by the National Bank grew by 1.5 trillion (25 percent) and the amount granted by commercial banks rose by 7.6 trillion (33 percent). At the beginning of October, commercial banks accounted for 80 percent of all credits as against 79 percent on 1 September and 56 percent at the start of the year.

Increased borrowing from the National Bank was necessitated by the growing state budget deficit and the lack of funds in the Pension Fund for making pension payments.

The unstable economic situation and the high rate of inflation are causing a drop in the long-term credit that is being invested by commercial banks in economic growth. Compared with the beginning of the year, when long-term loans accounted for five percent of all loans, their share fell to two percent in September.

As of 1 October, the amount of credit issued by the National Bank for the refinancing of commercial banks was 9.1 trillion karbovantsi (financial obligation on loans). Most of this amount (97 percent) had been granted to the Ukrayina Bank to be used in extending credit lines.

With the official settlement rate for commercial bank refinancing set at 240 percent, the actual interest rate in September rose to nearly the set level and amounted to 239.9 percent as compared with 55 percent in August, chiefly because no preferential rates for refinancing commercial banks were offered in September.

Accordingly, the average interest rate on loans at commercial banks rose by 19.5 percentage points and

amounted to 222.5 percent as compared with 203 percent in August of this year. The maximum interest rate in September was 600 percent (480 percent in August), and the minimum rate was 5 percent (1 percent in August).

THE FINANCIAL STATE OF ENTERPRISES AND ORGANIZATIONS

The total amount of interenterprise debt in the current year increased 21.7-fold (in September—93 percent) and on 1 October amounted to 48.3 trillion karbovantsi; loan debt increased 19.7-fold (24.6 percent) and totalled 44.5 trillion karbovantsi.

Debts between enterprises and organizations in Ukraine and economic entities in countries making up the former USSR increased 32 percent in September and amounted to 3.4 trillion karbovantsi at the beginning of October. During the same period, indebtedness to lenders fell 13 percent and totalled 7.5 trillion karbovantsi. Since the beginning of the year, loan debt has increased 22-fold and interenterprise debt eightfold.

Interenterprise and loan debt between enterprises and organizations inside Ukraine is growing. During January—September, interenterprise debt increased 25-fold (doubling in September) and at the beginning of October amounted to 44.9 trillion karbovantsi, while loan debt increased 19-fold (36 percent in September) and amounted to 37 trillion karbovantsi.

The amount of overdue interenterprise debt on clearing transactions and of overdue bank loans increased fourfold since the beginning of the year. Just in September, this amount rose nearly 33.3 percent and on 1 October totalled 1,761.4 billion karbovantsi. Of this sum, 1,111.5 billion karbovantsi (63 percent) was debt on clearing transactions between enterprises and organizations, and 649.8 billion karbovantsi (37 percent) was the amount in overdue payments on bank loans.

THE CURRENCY MARKET

Due to a drop in the amounts of foreign currencies offered for sale at the Ukrainian Interbank Currency Exchange, the volume of sales of these currencies dropped significantly in September and the exchange rates of these currencies against the Ukrainian karbovanets rose accordingly.

Sales of U.S. dollars fell 22.2 percent compared with August and more than twofold compared with July. Sales of German marks fell 8-4-fold and 6.5-fold and of Russian rubles 1.9-fold and 3.4-fold, respectively.

In October, the exchange rate of the karbovanets against foreign currencies continued to drop and by the end of the month amounted to 31,000 karbovantsi to one U.S. dollar (as compared with the official rate set by the National Bank of 5,970 karbovantsi), 19,300 karbovantsi to one German mark (official rate—3,720.80 karbovantsi), 25 karbovantsi to one Russian ruble (official rate—5.61 karbovantsi), or 5.2-fold, 5.2-fold, and 4.5-fold below the official rate, respectively.

In accordance with the president's edict "On Additional Measures To Improve Currency Controls" and as a way of promoting the development of the currency market and stabilizing the currency exchange rate, a recommendation was made to the National Bank to temporarily suspend currency auctions at the Ukrainian Interbank Currency Exchange.

PERFORMANCE OF INDIVIDUAL BRANCHES OF THE NATIONAL ECONOMY

Industrial output is continuing to decline. During January—October, the volume of goods produced fell 8.1 percent against the corresponding period of last year. Production volumes have dropped at more than half of all enterprises. The output of 130 of the 146 most essential kinds of industrial products has been reduced.

The situation in the oil refining industry remains critical. The volume of crude oil refined is continually decreasing. Since the beginning of the year, 20.3 million metric tons of crude oil have been refined, which represents a drop of 40.9 percent as compared with last year. As a result, the production of gasoline fell 35.7 percent, diesel fuel—27.6 percent, and furnace oil—41.7 percent.

Fuel supplies at electric power stations decreased significantly in October. Compared with last year, deliveries of gas fell to one-half of their previous level, coal deliveries dropped 22.5 percent, and only 7 percent of the planned amounts of furnace oil were delivered.

The financial status of energy enterprises is being further exacerbated by the disarray in settling accounts. In October, the amount owed by energy consumers grew from 384 billion to 561 billion karbovantsi, while overdue payments for fuel by energy enterprises rose from 345 billion to 670 billion karbovantsi.

The harvesting of crops is nearly complete. By 8 November, Ukraine's farms had threshed more than 41 million metric tons of grain (excluding corn), exceeding last year's figure by 5 million metric tons, or 14 percent. This increase was the result of a higher yield, which amounted to 34.6 centners as compared with 29.9 centners last year.

According to Ministry of Agriculture and Food estimates, the gross yield of grain (including corn) is expected to reach 45 million metric tons (weight after harvesting has been completed).

Other crops harvested include 35.2 million metric tons of sugar beets (22 percent more than last year), 2.9 million metric tons of potatoes (3 percent less than last year), and 2 million metric tons each of sunflowers and vegetables (the same amounts as last year).

Still unharvested on 8 November were 6,200 hectares of sugar beets, 600 hectares of potatoes, 7,900 hectares of sunflowers, 13,000 hectares of vegetables, and 159,500 hectares of corn for seed.

Fourteen million metric tons of grain crops (96 percent of the state order) were procured by the state. This amount exceeds the 1992 figure by 3.1 million metric tons. Farms in 16 oblasts executed the state order.

By 18 October, the state had purchased 534,400 metric tons of potatoes (30 percent less than last year), 1.1 million metric tons of vegetables (8 percent less), and 319,700 metric tons of fruit (2 percent less).

The decline in the output of livestock products is continuing. During the last 10 months, farms have produced 2,180,100 metric tons of meat (live weight), which is 22 percent less than last year, 10,250,000 metric tons of milk (11 percent less), and 5,225.5 million eggs (18 percent less).

The state has procured 2,019,000 metric tons of meat (23 percent less than for the same period last year), 9,473,000 metric tons of milk (10 percent less), and 4,356 million eggs (15 percent less).

The state order for the procurement of cattle and poultry has been met 71 percent, for milk—89 percent, and for eggs—75 percent.

During January—September of this year, the total volume of foreign trade turnover with former Soviet states amounted to 26.3 trillion karbovantsi, of which exports accounted for 8.5 trillion and imports for 17.8 trillion, producing a negative foreign trade balance in the amount of 9.3 trillion karbovantsi (mainly as a result of the need to import natural gas, oil and oil products, polyethylene, lumber, cotton, rolled aluminum, and synthetic rubber). A negative trade balance exists with Russia (6 trillion karbovantsi), Turkmenistan (1.8 trillion), Uzbekistan (1.2 trillion), as well as with Azerbaijan, Belarus, Kazakhstan, Lithuania, Tajikistan, and Estonia.

In trade with other countries, exports exceeded imports in the amount of 4.7 trillion karbovantsi.

Since the beginning of the year, the average monthly wage of employees in the state sector rose 13-fold and amounted to 197,000 karbovantsi in September. Wages are lowest for employees in the public catering, culture, art, social security, agriculture, trade, housing services, public education, and health care sectors, where they range from 124,000 to 169,000 karbovantsi (Supplement 3).

In September, the minimum wage (20,000 karbovantsi) amounted to only 10 percent and the minimum pension (40,000 karbovantsi) to only 19.9 percent of the cost of the minimum consumption budget. In October, after paying rent and public utilities, recipients of the minimum pension rate had only enough left to buy 250 grams of bread and 13 grams of cooked sausage per day or 500 grams of bread and half a liter of milk.

The worsening economic situation in the country is accompanied by the rise of negative demographic trends. Compared with the same period last year, during January—September the number of births fell by 23,900, or

5.3 percent; the birth rate per 1,000 dropped 0.6 percent. At the same time, the number of deaths rose by 30,200, or 5.8 percent; the population's death rate rose 0.7 percent.

The natural decrease in population amounted to 120,300 persons, which represents an increase of 82 percent over the corresponding period of last year.

Prepared by the Economic Department of the Cabinet of Ministers of Ukraine for the purpose of providing information on the basis of materials supplied by the Ministry of Economy, the Ministry of Finance, the Ministry of Statistics, and the National Bank of Ukraine.

Economic Statistics for January-November 1993
944K0537B Kiev URYADOVYY KURYER in Ukrainian
21 Dec 93 p 6

[Report by the Economic Administration of the Ukraine Cabinet of Ministers: "The Ukrainian Economy in January-November 1993"]

[Text] At the end of the year, the economic situation in Ukraine remains extremely difficult. The total level of output continues to fall, the government budget deficit continues to increase and excessive emission of money goes on, leading to further deepening of the economic crisis in the country.

Implementation of the Budget

Revenues of the consolidated budget for the January-October period amounted to K26.065 trillion. In addition, to cover the projected budget deficit and other budgetary expenditures, K8.465 trillion was borrowed from the National Bank of Ukraine.

Value-added taxes raised K9.212 trillion, taxes on revenues (profits) of enterprises and organizations K7.9 trillion, indirect taxes K1.132 trillion, individual income taxes K1.099 trillion, contributions from enterprises and organizations to the Fund for the Implementation of Measures to Overcome the Consequences of the Chernobyl Disaster and for Social Security K1.087 trillion and revenues from foreign economic activities K960 billion.

Expenditures of the consolidated budget during January-October amounted to K28.947 trillion, of which K3.957 trillion (or 13.7 percent of the total) was used for social security purposes, K6.423 trillion (22.2 percent) for social and cultural purposes and K6.317 trillion (21.8 percent) for the economy.

In the current year, support for enterprises and entities experiencing financial difficulties was effected by means of soft loans from the budget. During the first 10 months, K6.638 trillion of such loans has been issued, including K1.065 trillion to the Pension Fund and K4.978 trillion to the Ministry of the Agricultural Industry.

Spending on defense totaled K1.224 trillion, and on law enforcement K845 billion. The construction of housing for servicemen was funded with proceeds from the sale of military equipment, amounting to K86 billion.

The consolidated budget deficit totaled K2.882 trillion.

The government budget in January-October had revenues of K13.954 trillion and outlays of K18.817 trillion.

Lending in the Economy

Total assets of Ukrainian banks (loans outstanding) at 1 November amounted to K44.8 trillion, including K9.9 trillion at the National Bank and K34.9 trillion at commercial banks.

Assets of affiliates of commercial banks from countries of the former USSR totaled K93.9 trillion.

In October, loans increased by K6.9 trillion, or 18 percent (compared to a K9.1 trillion, or 32 percent, rise in September); of these, National Bank loans rose by K2.4 trillion, or 32 percent (compared to 25 percent in September), and commercial bank loans by K4.5 trillion, or 15 percent (33 percent in September). The share of commercial bank loans at the start of November was 78 percent, vs. 80 percent at 1 October and 56 percent at the start of the year.

Of the total amount of loans at the National Bank, K9.5 trillion, or 96 percent, were credits provided to Ukrainian government to cover its budget deficit and domestic government debt.

To finance commercial banks, the National Bank issued loans totaling K10 trillion since the start of the year, 97 percent of which went to Ukrayna Bank to cover credit lines. During October, the volume of bank financing increased by 10 percent.

Given that interest rates on commercial bank financing were 240 percent, average interest rates during October were 94 percent, due to soft credits provided mainly to Ukrayna Bank to cover loans to purchasing organizations and enterprises involved in processing agricultural products.

The average interest rate charged on commercial bank loans rose by 13.8 percentage points during October, to 246.3 percent, compared to 222.5 percent in September. The highest rate charged in October was 770 percent (480 percent in August and 600 percent in September), while the lowest 2 percent (1 percent and 5 percent, respectively, in August and September).

Inflationary Processes

In the 12 months to November wholesale prices on industrial output rose 74 times, including on electric energy 100 times, on construction materials 92 times, on machinery 79 times, on petroleum products 73 times, on meat products 66 times and on dairy products 63 times.

In November, wholesale prices charged by industrial enterprises rose 1.3 times compared to the previous month, including on electric energy 2.4 times, on building materials 1.5 times, on light industry products 1.6 times, on wood and paper products 1.8 times, on oil and chemical industry products 1.7 times, on machinery 1.4 times and on food and dairy products 1.2 times.

Agricultural prices rose 40 times in the past 12 months, including on grain and oilseeds 77 times, on sugar beets 42 times, on cattle and poultry 38 times, on milk and dairy products 39 times and on eggs 63 times.

Prices for construction and installation work rose in the 12 months to September 26 times, and 16 times from the end of last year.

It should be noted that the growth of wholesale prices charged by industrial enterprises considerably outpaces the growth of retail prices.

In the first 10 months (December 1992 to October 1993), wholesale prices increased 45 times, while prices of consumer goods and services rose 37 times.

Situation in Some Economic Sectors

Industrial production continues to decline. In January-November, the volume of goods production fell 8 percent compared to the same period of last year. More than half of all enterprises saw their output contract. The output of 128 out of 146 types of very important products shrank.

In the first 11 months, enterprises of the fuel and energy sector produced 106.4 million tons of coal, which is 13.1 percent less than during the same period last year; 3.9 million tons of oil and liquefied gas, or 5.2 percent less; and 17.6 billion cubic meters of natural gas, or 8.1 percent less.

Coal industry enterprises reached only 77 percent of the coal production target for November, and 85 percent of the target for coke production. Since the start of the year, these targets were fulfilled by only 86 percent and 88 percent, respectively.

The situation in the petroleum processing industry remains difficult. Output in basic oil refining continues to decline. Since the start of the year, 22 million tons has been refined, 38.6 percent below last year's levels. As a result, the production of gasoline fell 34.3 percent, of diesel 23.8 percent and of heavy fuel 39.5 percent.

Electric energy production also continues to shrink. During January-November, 207 billion kilowatt hours was produced, 8.2 percent less than last year; of these, combustion plants produced 128 billion kilowatt hours, or 16.1 percent less. The fall in output at combustion plants was in part made up by the rise in output at nuclear and hydroelectric plants, by 4.2 percent and 45.9 percent, respectively, compared to last year.

The situation with supplying fuel to combustion plants is extremely difficult. Gas deliveries during November were nearly halved from last year, falling short of target by 456 million cubic meters; only 24,000 tons of heavy fuel was provided, amounting to just 24 percent of the target.

Severe shortages of fuel, energy and raw materials, as well as price increases on them, have created a critical situation in the metal industry. Some enterprises have been working below capacity or have halted production altogether. Due to the fall of natural gas deliveries, 15 blast furnaces, 20 open-hearth furnaces and several rolling mills had to be halted. The output of main types of products fell by between 18 percent and 37 percent in the first 11 months of the year, compared to the same period of 1992. The output of pig iron fell 7.4 million tons (23 percent), of steel 8.1 million tons (21 percent), of rolled products 4.8 million tons (18 percent) and of steel pipe 1.7 million tons (37 percent).

In November, enterprises of the coal industry in Ukraine fell short by some 200,000 tons in their deliveries of coke to metal-processing enterprises, whereas supplies of coke from Russia and Kazakhstan were 20 percent below contracted levels in the first 11 months, as a result of payment delays.

The situation remains difficult also in agriculture. The output and state purchases of main types of meat and poultry industry products fell due to the decline in numbers and yields of cattle and poultry.

In January-November, the output of meat fell by 736,300 tons slaughterhouse weight, 24 percent less than the same period last year, of milk by 1.269 million tons, or 10 percent less, and eggs by 1.254 billion, or 18 percent less.

State purchases amounted to 2.216 million tons of meat, or 24 percent less than last year, 10.05 million tons of milk (9 percent less) and 4.704 billion eggs (16 percent less).

State purchasing contracts for meat and poultry were only 78 percent filled, for milk 95 percent and for eggs 81 percent.

The government continues to purchase farm products. It purchased 14.2 million tons of grain (97 percent of target), which is 3.2 million tons more than in 1992. It purchased 716,100 tons of potatoes (21 percent below last year's levels), 1.5 million tons of vegetables (5 percent below) and 448,700 tons of fruit (3 percent above).

Due to the decline of total output, lack of fuel and higher prices for energy, the volume freight transportation continues to decline. In the first 11 months, motor transport hauled 418 million tons of freight, which is 37 percent below levels of the same period last year; rail transport 496 million tons, or 28 percent below; and water transport 27 million tons, or 22 percent below.

Steady price increases in travel caused further reductions in its volume. Airline travel fell 72 percent and motor travel 22 percent.

At 1 November, 2,167 joint ventures existed in Ukraine, producing K887.4 billion worth of goods or services in the first nine months of the year. At the domestic market, they sold output worth R1.1856 trillion and \$131.3 million. Exports by joint ventures totaled \$201.4 million and imports \$262.8 million.

Foreign trade with countries of far abroad totaled in January-October \$3.5785 billion, of which exports accounted for \$2.1618 billion and imports for \$1.4167 billion.

Foreign trade by Ukraine enterprises was conducted with 99 countries. The highest volumes of exports went to Austria, Bulgaria, India, Italy, China, the Netherlands and Germany. Most imports came from Austria, Brazil, Germany, the US, Hungary and France.

The volume of foreign trade between Ukraine and countries of the former USSR totaled K34.3 trillion, of which exports were K11.2 trillion and imports K23.1 trillion; this created a deficit of K11.9 trillion (due to the purchases of natural gas, oil and oil products, polyethylene, wood pulp, cotton and synthetic rubber). Deficit was registered with Russia (K9.7 trillion) and Turkmenistan (K2.1 trillion), as well as with Belarus, Kyrgyzstan, Lithuania and Estonia.

Consumer goods and services

The output of consumer goods fell by K8.7 trillion, or 15 percent, in January-November, and totaled K50.3 trillion in retail prices.

The output of food products fell 11 percent, including that of sausage 33 percent, of margarine 32 percent, of whole milk 31 percent, of meat 27 percent, of vegetable oil 13 percent and of cheeses 11 percent.

Food industry enterprises suffer from persisting financial problems, especially the disarray in inter-enterprise payments. Because they are owed money by retail trade organizations for sold output, and experience a liquidity shortage, food industry enterprises have been unable to pay in full for the deliveries of agricultural products. They can get no loans for these purposes.

The output of non-food products fell 23 percent during January-November, and totaled K16 trillion.

The output of cultural-recreational and household good fell considerably. For instance, the output of tape recorders declined 27.3 percent, of television sets 25.4 percent, of electric irons 16.4 percent, of automatic laundry machines 13.2 percent, of radio sets 11.8 percent and of refrigerators by 7.8 percent.

One cause of this is the shortage of rubles to pay Russian enterprises for raw materials and components, as well as delays with payment processing in the banking system.

The energy crisis in the country also impacts negatively on output.

The main cause of the existing situation is the lack of foreign currency, including rubles, which is needed to buy up to 70 percent of required raw materials outside Ukraine, as well as shortages of domestic currency.

The volume of retail trade fell by 28.2 percent in constant prices in the first 11 months of the year compared to the same period of last year, and totaled K28.1 trillion.

Due to constant price increases on practically all consumer products, the situation in the consumer market worsened further during January-November. Consumers are trying to get rid of their money as soon as possible, since it is rapidly losing value, while the available goods are clearly insufficient to meet demand. As a result, retail trade inventories are declining. At 1 December, stocks covered 41 days of sales, 6 days less than a year ago.

In January-October, the sale of meat through state and cooperative retail trade fell 19.4 percent, of butter 10.4 percent, of vegetable oil 17.7 percent, of cheese 36.4 percent and of eggs 25.5 percent.

Average monthly wages for employees in the state sector rose 15.8 times since the start of the year, amounting to K240,200 in October. They are lowest in the catering industry, culture and the arts, social work, agriculture, retail trade, housing, education and health care, ranging from K149,000 to K197,000.

This information is prepared based on data from the Economic Ministry, the Ministry of Finance, the Statistics Ministry and the National Bank of Ukraine.

Official Discusses National Employment Program

944K0586A Kiev MOLOD UKRAYINY in Ukrainian
11 Jan 94 p 1

[Interview with Oleksandr Yehorov, deputy head of the Employment and Job Market Administration, by Volodymyr Oliynyk, under the rubric "How To Be Bankrupt"; place and date not given: "The Labor Ministry's Move Against Unemployment"—first paragraph is MOLOD UKRAYINY introduction]

[Text] As we know, in anticipation of the structural reorganization of the economy this year, Ukraine's Ministry of Labor drafted a National Public Works Program. In connection with this measure, our correspondent met with Oleksandr Yehorov, deputy head of the Employment and Job Market Administration.

[Oliynyk] Mr. Yehorov, what is the goal of the National Public Works Program?

[Yehorov] First, this program was drawn up as part of the effort to implement one of the points of the government's action plan for 1994. Second, this is the first time that such a program has been drafted as a separate document. Third, the program is designed to provide

work for those left without jobs as a result of the structural reorganization of the economy and to avert landslide unemployment due to mass layoffs.

[Oliynyk] Can we regard the National Public Works Program as a panacea in the struggle against unemployment?

[Yehorov] I would not put it that way. This program should be viewed as part of a complex of measures aimed at overcoming the negative phenomena of mass unemployment. Its implementation is closely linked with the implementation of the state and territorial employment programs for 1994 and subsequent years. Actually, what this means is carrying out measures within the framework of the principal document—the National Employment Program.

[Oliynyk] What kind of public works does the program foresee?

[Yehorov] We concluded that the labor force made available by layoffs should be employed primarily on priority undertakings—i.e., projects and facilities that serve the vital needs of the people and improve the social infrastructure. First and foremost, this applies to such important economic complexes as the agrarian, transportation, and housing and public utilities sectors. For example, such large projects as the construction and reconstruction of the trans-European highway including the creation of a complete transportation infrastructure: Germany—Poland—Ukraine—Russia and Central Europe—central Ukraine—the Near East; the construction of plants to manufacture building materials. Incidentally, all these projects are long-term and not limited to 1994 and 1995.

[Oliynyk] This is a very large task, and one need not be a specialist to understand that this requires a very large number of people and a very large amount of money? [punctuation as published]

[Yehorov] Your observation is very true, and I will respond to it. In light of the variable nature of the situation in the job market and given the crisis conditions that mark the development of this situation, scientific estimates indicate that in 1994 there will be 2.4 million people without work, of whom 1.5 million will have unemployed status. Let me remind you that in 1993, there were only 275,000 people who were not working and only 78,000 with unemployed status. As to funds, estimates show that we will need at least 52.6 billion karbovantsi (in July 1993 prices) for regional projects alone. The total cost of implementing the measures provided for in the program will amount to nearly a billion karbovantsi in 1994.

[Oliynyk] Would it not be better to use this money to support unprofitable enterprises or simply for paying out unemployment benefits?

[Yehorov] Of course not. Structural reorganization is a painful operation, but once it is over, we will have a

sound economy. As far as the cost of organizing and implementing the National Public Works Program is concerned, despite the fact that it is obviously a loss-making proposition, it will ultimately relieve social tensions—to begin with, because people will have work, and secondly—and this is very important—the state will get the main highways it so badly needs and the housing and public utilities infrastructure will be improved, inasmuch as the state has never had enough resources to get around to the construction and ordering of the latter.

Construction of New Chernobyl Sarcophagus Stalls 944K0577A Kiev PRAVDA UKRAINY in Russian 6 Jan 93 p 2

[Interview with Professor Vladimir Tokarevskiy, doctor of physico-mathematical sciences and general director of the "Cover" interbranch scientific-technical center of the Academy of Sciences of Ukraine, by PRAVDA UKRAINY correspondent Dmitriy Kiyanskiy; place and date not given: "Echo of Chernobyl": "How Long Will the 'Sarcophagus' Last? The International Competition for Changing the 'Cover' Installation Is Over. But What Is Next?"]

[Text] Just as the nuclear electric power station on the banks of the Pripyat River is firmly associated in our country with danger, misfortune, and grief, the word "Chernobyl" itself brings to mind the fourth unit of the AES [nuclear electric power station] that was demolished by a terrible explosion and the sarcophagus that was erected on its ruins, under whose arches there is now a simply fantastic amount of radioactive material—20 million curies.

Many think that the "Cover" installation is airtight. Unfortunately, this is not so. During its construction, due to high radiation it was necessary to use remote methods, as a result of which the overall area of cracks in the sarcophagus totals about 1,000 square meters. Naturally, radioactive dust can easily penetrate through these to the outside. Given a failure in the internal structures, there is a serious danger for people working in the industrial area of the AES.

Prominent specialists from many countries of the world who took part in the international competition, whose results were summarized in Kiev almost a half year ago, attempted to answer the question: "What should the new 'Cover' be like?" They had to take the most diverse circumstances into account. For example, to ensure against natural and other calamities, the new "Cover" should be calculated for an earthquake magnitude of seven (one higher than probable) and for a powerful hurricane, and even for the fact that an aircraft could fall on it. It is not without reason that it is said that the rarest event that occurs once in a thousand years could also occur tomorrow.

It is written in the conditions of the competition that a contract is signed with its winner (or winners) for the

implementation of their ideas. But nothing is being heard about the start of design work, not to speak of construction work. HAS THE INTERNATIONAL COMPETITION TURNED INTO A KIND OF POLITICAL GAME ORGANIZED AROUND CHERNOBYL? A PRAVDA UKRAINY correspondent put this question to Professor Vladimir Tokarevskiy, doctor of physico-mathematical sciences and general director of the "Cover" interbranch scientific-technical center of the Academy of Sciences of Ukraine.

[Tokarevskiy] Such a point really was stated in the conditions, but it was changed in March of this year: The winner received an opportunity to reach the final stage of the so-called tender—the competition for the right to acquire a contract. In this case, this was the conduct of a feasibility study for the design work. In essence, this decision of the organizational committee was like extending the competition for an unlimited period.

[Kiyanskiy] What, for example, would soccer fans say if the rules of the game were changed in the course of a match?! In my opinion, behavior like this is not permitted in civilized countries...

[Tokarevskiy] An exceptional circumstance compelled us to do this. It remained absolutely unclear as to who would pay for the TEO [feasibility study] and the design work, and what is most important, who would be able to finance the construction. If the conditions remained as before, the Ukrainian Government would simply prove to be unable to fulfill them and to sign a contract with the winner. And this, you will agree, is far worse than making corrections.

[Kiyanskiy] Perhaps it is appropriate here to mention an old anecdote from the "vintage" series. At the beginning of the 1930's, Rothschild was approached by representatives of the Soviet Ministry of Finance with a request to borrow a very large sum. Why do you need so much money? asked the famous banker. They explained to him politely: for the construction of socialism. "In my opinion, when there is no money, it is not necessary to build," Rothschild replied.

[Tokarevskiy] The story is amusing, but I do not see the analogy here. The sarcophagus cannot wait. Every lost month is fraught with problems.

[Kiyanskiy] As I understand it, the French offered the means...

[Tokarevskiy] Only for the feasibility study and (to a lesser degree) for the project. If we had agreed to their conditions, we would have impeccably formulated documents, beautifully executed sketches, and they possibly would even be able to lay down a certain "zero" cycle. And they would have received the usual long-range construction project, for there was no money for the completion of construction. To finance all the work the

Ukrainian Government would need, according to various estimates, from \$500 million to \$2.5 billion, and the French were giving \$10-15 million. As you see, the sums are not compatible...

Before starting any kind of a job, it should be known exactly how to complete it. The World Bank or the European Bank for Reconstruction and Development are able to guaranteeing real financing for the grandiose project. It would be possible to resolve the problem successfully if we were actively assisted by the European Bank for Reconstruction and Development, the Commission of the European Community, and an international fund established specially to finance the Chernobyl project, say, at the request of the presidents of Ukraine, Russia, and Belarus. The sum of \$500 million is really not such a large amount for the entire world community.

[Kiyanskiy] The authors of one of the drafts that was submitted for the competition proposed pouring concrete into the destroyed unit and transforming it into a monolith. Why was their idea rejected; after all, the resources needed for its implementation would be much less than other projects?

[Tokarevskiy] By transforming the unit into a monolith we would increase the volume of radioactive waste, and would thereby be behaving like the poor housekeeper who scoops all the rubbish into one corner in the hope that someone will take it away later. As the result of such an operation, instead of hundreds of cubic meters of radioactive waste, we would get millions of cubes of "contamination." But this, you will agree, is unethical with respect to our progeny, on whose shoulders we would place such a heavy burden.

If a catastrophe that is unprecedented in human history occurred because of our tragic mistakes, then the efforts that are applied to the elimination of its consequences must be just as great. The present generation is obliged to cope with the accident of the century.

Unfortunately the international competition jury, about which we have already spoken with you, was compelled to state that not one of the submitted works makes it possible to resolve the problem comprehensively: It is impossible, for example, to take the French draft, considered to be the best, and start construction on its basis. The jury decided not to award the first prize. It thereby declared to the whole world that, unfortunately, a ready solution does not exist today. The problem proved to be far more complicated than we thought just several years ago.

[Kiyanskiy] But sooner or later the construction will nonetheless begin. Hundreds of trucks will begin to move up to the unit, and various mechanisms will start to work in the industrial area. Many will speak up about the danger that dust will be raised, and that the wind will carry the nuclides to nearby villages and cities. Radioactive particles will fall into the soil and water...

[Tokarevskiy] Well, you know, fear makes mountains out of molehills. If such fears are expressed by the broad public, then specialists have already thought about this first and foremost. We consider dust suppression to be one of the most important problems. In the course of a day approximately 22,000 liters of air pass through a person's lungs, and you and I consume about two kilograms of food on average. This means that incomparably more nuclides can get into the human body through breathing than through eating. It is for this reason that the requirements for clean air are much stricter.

Dust suppression systems will begin to function as soon as construction work around the sarcophagus is started. The contaminated soil of 1986 by the walls of the sarcophagus is now at a depth of three to nine meters: It was covered with clean earth at one time for the purpose of decontaminating it. But, of course, we will have to remove the "cultured layer," which is contaminated with radiation. As for removing blockages and dismantling damaged structures inside the sarcophagus, this will begin to be done only after the erection of the airtight shell of "Cover-2."

[Kiyanskiy] But after all, nuclides can get into not only the air and ground, but also into subsoil water...

[Tokarevskiy] Indeed, this is one of the most complicated and, alas, still unresolved problems today. As recent measurements indicate, there has been no record, fortunately, of migration through any kind of loose joints or cracks in the foundation of the sarcophagus. However, we will not forget about the enormous amount of radioactive materials located here.

I repeat, there is no migration at this time. But if we become convinced that it has appeared, it will obviously not become easier for anyone. Therefore, any delays in the construction of "Cover-2" are fraught with the most serious consequences. We have been allotted only five years for everything—and not a month longer.

Coal Association Directors Demand Changes

94K0580A Kiev PRAVDA UKRAINY in Russian
4 Jan 94 p 1

[Letter to Ukraine's leaders: "Demand of the General Directors of Coal Associations"]

[Text]

L.M. Kravchuk, president of Ukraine
I.S. Plyushch, chairman of the Supreme Council of Ukraine
Ye.L. Zvyahilskyy, acting prime minister of Ukraine
H.S. Surgay, chairman of the State Committee for Coal Industry of Ukraine

On 28 December 1993 in Lugansk Oblast's city of Antratsit the general directors of coal production associations of Ukraine discussed measures to stabilize work in the sector. Basic demands, in respect to which a decision

at the state level is essential, were adopted for the elimination of the catastrophic situation at the coal enterprises.

1. The price of coal and coal products established for January 1994 must be fixed in dollar equivalent at the exchange rate of the dollar as of the end of December 1993 and indexed monthly proportionate to the change in the price of the dollar in relation to the karbovanets (that is, the price for February 1994 must be established proportionate to the price of the dollar at the end of January and so forth).
2. The transfer in the first quarter of 1994 to the books of the local authorities of facilities of the social sphere and, prior to this transfer, their directed financing from centralized sources.
3. To liquidate as 1 January 1994 the structure of the Uglesbyt (expansion unidentified) of Ukraine and transfer to the coal-production associations the right to independently exercise the functions of supplies and sale of coal and products of its conversion in accordance with direct agreements with consumers and government contracts.
4. To convert coal at enrichment factories in accordance with agreements, with the reimbursement of the expenditure on the enrichment and the right to sell the end product by its producer. At the demand of the coal-production associations to transfer the enrichment factories to the associations.
5. To extend loans to the coal industry enterprises in stable fashion against standard stocks of commodity and material values.
6. On account of the tardy revision of the price of coal and coal products and pricing mistakes on the part of the Government of Ukraine, nonrepayable arrears of enterprises of the coal sector had formed by the end of 1993. These arrears have practically halted the production and financial activity of the enterprises.

We demand that enterprises of the coal sector be relieved of the current debts.

7. For the restoration of economic and business relations with enterprises of Russia and other neighboring and distant states:

a) to liberalize customs legislation;

b) to introduce identical customs rules with states of the "near abroad";

c) to authorize the state-owned enterprises on their leaders' responsibility to ship and receive products, with customs documents being drawn up at the customs house within a month from the day of shipment (receipt) of products;

d) to exempt imported production engineering equipment and materials for the coal enterprises of customs duty and taxes.

8. To provide for the allocation of monetary resources from centralized sources to pay compensation for length of service to all working people of a coal-production association before 10 January 1994.
9. To extend coal-export licenses to the first quarter of 1994.
10. To index the coal enterprises' working capital or allocate long-term soft loans for its replenishment.
11. To abolish the "government order" concept as lacking a legal foundation and to distribute coal resources according to direct agreements and government contracts concluded on mutually advantageous terms.
12. To communicate the response to this demand before 10 January 1994 in our presence in the city of Kiev.

General directors:

[Signed] V.G. Ilyushenko of Donetsugol, V.I. Kuzyara of Makeyevugol, A.N. Bogdanov of Krasnoarmeyaskugol, V.V. Radchenko of Selidovugol, Ye.G. Aralov of Dobropolyeugol, M.F. Malyuga of Artemugol, A.P. Kalfakhiyan of Dzerzhinskugol, A.Z. Poshtuk of Ordzhonikidzeugol, P.S. Babenko of Shakhterskugol, V.G. Khamulyak of Oktyabrugol, V.I. Bychkov of Torezantratsit, V.I. Poltavets of Luganskugol, A.A. Shevchenko of Stakhanovugol, V.I. Prorochenko of Pervomayskugol, Yu.V. Plakhotnyuk of Lisichanskugol, V.V. Skrabov of Donbassantratsit, G.K. Astrov-Shumilov of Rovenkiantratsit, I.A. Kachur of Antratsit, V.S. Kachanov of Krasnodonugol, Ye.P. Gorovoy of Sverdlovantratsit, A.V. Shmigol of Pavlogradugol.

Minister On 'Alarming Situation With Regard to Population's Health'

94K0528A Kiev DEMOKRATYCHNA UKRAYINA
in Ukrainian 11 Dec 93 p 2

[Interview with Minister of Health Yuriy Spizhenko by DEMOKRATYCHNA UKRAYINA correspondent Valentyna Skoropadska, under the rubric "Critical Point"; place and date not given: "The Doctor Might Lose His Patients"]

[Text]

[Skoropadska] Yuriy Prokopovych, at present our society has serious complaints about the health care sector because both the medical services and the health of the population of Ukraine have deteriorated considerably.

[Spizhenko] Let us begin with the fact that the health of the population is determined by a number of factors, the key factors being the standard and way of life, the influence of the environment on people, their heredity,

and only after that the standard of medical aid. As you know, at present the ecological, social, and economic conditions for living in Ukraine do not guarantee its citizens any of those factors that shape the health status of the nation.

We, physicians are particularly concerned about a considerable deterioration in the diet of the people and the growing incidence of disease, the overall death rate, to say nothing of the pronounced drop in the birth rate associated with this—11.4 per 1,000 population in 1992. An extremely unfavorable demographic situation has developed. Since 1990 natural population growth has been negative. Last year almost 100,000 more people died than were born.

The main biological characteristics of a person, the immune system, incidence of disease, and life expectancy depend on the adequate supply of vital substances to the organism. According to data from the Scientific Research Institute of Nutritional Hygiene, a person should consume no less than 150 grams of meat, 700 grams of milk and dairy products, 40 grams of fish, and about 300 grams of bread, potatoes, and other vegetables daily. However, a considerably greater amount of money than people make in many cases would now have to be spent on a monthly basis in order to comply with these minimum physiological norms. Given that, why would they be healthy? According to data from specialists, the daily ration of foodstuffs includes only 30-40 percent of meat and 30 percent of fish compared to the recommended norms. We should also say that diets have deteriorated considerably due to reductions in the consumption of vegetables and fruit by almost one-half. The carbohydrate component and energy content of the diet are ensured virtually in their entirety through increasing the consumption of bread products, sugar, and other refined carbohydrates.

[Skoropadska] Recently the immune systems of many residents of Ukraine, even those who were not in Chernobyl, have been disrupted. A stable upward trend in cardiovascular and gastrointestinal disease, anemias, and gallstone diseases has been registered. The number of hypertension sufferers is up 84 percent, diabetes mellitus patients—up 49 percent, patients with ulcer, gastric, and duodenum diseases—up 44 percent. How do you explain all of this?

[Spizhenko] I have said it before, and will repeat again: A considerable reduction in the consumption of animal protein, vitamins, and mineral substances brings about the development of the diseases in question.

We should speak the bitter truth today so that tomorrow it will not be too late. Certainly, the considerable increase in the number of people who are destitute and the unsatisfactory supply of foodstuffs to preschool and youth establishments are causing partial undernourishment of children and young people. The shortage of protein in the diets of children in organized collective

settings comes to 36 percent; this includes animal protein—50 percent, fats—22 percent, carbohydrates—38 percent, and micro- and macroelements—about 60 percent. Vitamin deficiencies are being registered in almost all children. In view of the increase in the cost of meals, only one-third of schoolchildren eat at school (in 1990 this was 80 percent).

One in three children in Ukraine has exudative-catarrhal diathesis and food allergies because of nonrational nutrition. Among children who died before the age of four months, 82 percent received incorrect artificial nutrition. Substitutes for breast milk are in an extremely short supply, and the quality of those that are produced is very low. We should also mention that the operation of infant formula distribution centers has become much more difficult. Government assignments to build and equip enterprises and shops producing infant formula have not been carried out year after year. While two canned dairy product combines exist (in Khorol, Poltava Oblast, and Balta, Odessa Oblast) which could not only keep Ukrainian children fully fed but also manufacture products for sale, the issue of baby food has not been resolved because of the unstable situation at these enterprises. How is our future nation supposed to be healthy?

Unbalanced nutrition, pollution of the natural environment with harmful industrial waste, herbicides, and pesticides in agriculture result in the organism's reduced resistance to disease factors or, as physicians say, immune deficiency. Infectious diseases are developing even among children and adults who have been inoculated with special serums—diphtheria, tuberculosis, which is trending up, and whooping cough—which definitely confirms a pronounced immune deficiency.

[Skoropadska] Yuriy Prokopovych, a catastrophic situation has now emerged in Ukraine as far as the incidence of diphtheria is concerned. What is the ministry doing at present to snuff out this dangerous disease?

[Spizhenko] I would like to say that we are doing everything to stop this menacing illness. However, we must look the truth in the eye. More than 2,000 cases have already been registered, 415 in children. Some 70 people have died, of them, 22 children. Other long-forgotten diseases have also reared their ugly heads. The disease control situation involving poliomyelitis has become more complex (since 1992, 16 cases have been registered).

The Ministry of Health is facing the persistent need to sharply reduce the shortage of diphtheria, poliomyelitis, measles, and tuberculosis vaccines, and those of other infectious diseases, and to improve the quality of those vaccines.

With a view to reducing the volume of imports of biological immunity preparations, the National Program for Immunological Prevention among the Population in 1993 through 2000, which has been approved by the government, envisions the establishment of domestic

production of vaccines at the Kharkov, Kiev, and Odessa Biological Preparations Enterprises.

According to a technical and economic evaluation, establishing a new a complete technological cycle of vaccine production will require \$32.5 million. Some \$1.6 million are necessary in order to acquire special refrigerated trucks and freezing chambers. It is the government's duty to find a way to finance these measures even under the current conditions.

[Skoropadska] Yuriy Prokopovych, at present all of us are feeling the shortage of drugs, including vital, in pharmacies and medical facilities. What is being done to improve this situation?

[Spizhenko] Within the USSR, drugs worth about \$800 million were allocated to Ukraine, whereas recently about \$80 million were allocated. This has already affected the health of the population perceptibly. As a result of discontinued payments we are not able to get raw materials from Russia, Belarus, and so on. Even planned surgery, including vital, is frequently not performed. Thus at present the need for them is met 30-50 percent precisely because of the absence of the most necessary preparations. Here is an example: With an annual need for kidney transplants of 1,500 people, transplants are actually provided to 120-150 patients. The extremely limited acquisition of preparations preventing rejection is the reason.

Between 6,500 and 6,700 operations for heart diseases are performed in Ukraine annually, but 36,000 patients need it! The reason is the same in this instance. A critical situation has emerged in the treatment of endocrine patients, who number over 1 million. Of these, more than 800,000 have diabetes mellitus. Insulin, which is vitally indicated for them, is not produced in Ukraine, and foreign exchange funds to organize production cannot be found. More examples may be given. The Ministry of Health believes that implementation of the Comprehensive Program for the Development of the Medical Industry, which was approved by the Cabinet of Ministers in October, is one of the main directions for overcoming the crisis; this is also associated with the allocation of requisite appropriations.

The system for supplying medicines to the population is now being restructured with the inclusion of foreign investment and the funds of enterprises of other, non-state forms of ownership. This makes it possible to increase the acquisition of imported drugs which are in very short supply and deliver them to Ukraine.

The issue of social protection for the population is being resolved by way of state regulation of price-setting for drugs and their targeted provision for almost 50 groups of the population and categories of diseases.

Our ministry has developed a system under which the development and production of drugs would take the shortest route. Pharmacology and pharmacopoeia committees are already in operation in Kiev, Kharkov,

Vinnitsa, and other places. Industrial production of drugs, reagents, antiseptic compounds, and so on has been established. The specially established Medical Committee of the Cabinet of Ministers has been brought in to solve this problem.

However, let us come back to the present: At this stage, foreign exchange funds are necessary to purchase annually the vital medical preparations worth \$800-860 million which are not manufactured in Ukraine. I believe that the problem of drug supply ranks second to the problem of food supply. Consequently, it is necessary to find sources of financing to purchase drugs with foreign exchange. This will reduce social tensions accordingly in our society.

I must mention the beggarly existence of the health care sector. The budget for 1993 was approved in the amount of 1,036 billion karbovantsy, or 60 percent of the need. However, funding is provided at the rate of 50-60 percent of the tentatively established budget, and is irregular, coming in small amounts and with considerable delays. Telegrams are being received from health care establishments stating that regular operation is impossible, and hospitals are threatening to close because there is nothing to either treat or feed the patients with.

Indeed, medical personnel must save or help people suffering grave diseases. This is our professional responsibility. However, the sacred duty of the government is to ensure normal funding for the medical sector.

Law on Antimonopoly Committee Published

Text of Law

944K0505A Kiev GOLOS UKRAINY in Russian
21 Dec 93 pp 4-5

["Law of Ukraine: On the Antimonopoly Committee of Ukraine"]

[Text]

Section I. General Provisions

Article 1. The Antimonopoly Committee of Ukraine

The Antimonopoly Committee of Ukraine shall be a state organ which is called upon to ensure, in keeping with its jurisdiction, state control over compliance with antimonopoly legislation and protection of the interests of entrepreneurs and consumers against violations of legislation.

Article 2. Formation, subordination, and reporting by the Antimonopoly Committee of Ukraine

The Antimonopoly Committee of Ukraine shall be formed by the Supreme Council of Ukraine and shall report to it.

The Antimonopoly Committee of Ukraine shall be subordinated to the Cabinet of Ministers of Ukraine in the course of its activities.

Article 3. Tasks of the Antimonopoly Committee of Ukraine

The principal tasks of the Antimonopoly Committee of Ukraine shall be:

to exercise state control over compliance with antimonopoly legislation;

to defend the legitimate interests of entrepreneurs and consumers by taking measures to prevent and put an end to violations of antimonopoly legislation, and to impose penalties for violations of antimonopoly legislation within the limits of its jurisdiction;

to facilitate the development of fair competition in all spheres of the economy.

Article 4. Key principles of operation of the Antimonopoly Committee of Ukraine

The Antimonopoly Committee of Ukraine proceeds in its operations from the principles of:

—legality;

—openness;

—safeguarding the rights of economic entities along the lines of their equality before the law and the priority of consumer rights.

Article 5. Legislation on the Antimonopoly Committee of Ukraine

In the course of its activities, the Antimonopoly Committee of Ukraine shall proceed from the Constitution of Ukraine, the Law of Ukraine On Restricting Monopoly Practices and Preventing Unfair Competition in Entrepreneurial Activities, the present law, and other legislative acts, as well as international treaties and agreements.

If an international treaty to which Ukraine is a party establishes rules other than those found in the present law, the rules of the international treaty apply.

Section II. Structure, Jurisdiction, and Organization of Operations of the Antimonopoly Committee of Ukraine

Article 6. System of organs of the Antimonopoly Committee of Ukraine

The Antimonopoly Committee of Ukraine shall be established with a chairman and 10 state commissioners.

The first deputy chairman and two deputy chairmen of the Antimonopoly Committee of Ukraine shall be appointed from among the state commissioners.

The Antimonopoly Committee of Ukraine shall form territorial offices.

The Antimonopoly Committee of Ukraine and its territorial offices shall constitute the system of organs of the Antimonopoly Committee of Ukraine headed by the chairman of the committee.

The Antimonopoly Committee of Ukraine and its territorial offices shall be legal entities and shall have settlement and other accounts at bank establishments and seals depicting the State Emblem of Ukraine and their names.

Article 7. Jurisdiction of the Antimonopoly Committee of Ukraine

In keeping with the tasks entrusted to it, the Antimonopoly Committee of Ukraine shall:

- monitor compliance with antimonopoly legislation in the course of establishing, reorganizing, and liquidating economic entities, transforming organs of government into associations of producers, acquiring interest (shares, contributions), and assets of economic associations and enterprises; in the course of economic activities of entrepreneurs and the exercise of the powers of central and local organs of state executive power, and local and regional self-government with regard to entrepreneurs;
- consider cases concerning violations of antimonopoly legislation and make decisions with regard to the results of the consideration within the limit of its powers;
- bring lawsuits (petitions) in courts or arbitration panels in conjunction with violations of antimonopoly legislation, and refer to law enforcement organs records concerning violations of legislation with the attributes of crimes;
- issue recommendations to state organs to take measures aimed at developing entrepreneurship and competition;
- take part in the development, and submit through established procedures, draft legislative acts which regulate the issues of development of competition, antimonopoly policy, and demonopolization of the economy;
- take part in the signing of state-to-state agreements and the development and implementation of international projects and programs, as well as engage in cooperation with state organs and nongovernmental organizations of foreign states and international organizations with regard to issues falling within the jurisdiction of the Antimonopoly Committee of Ukraine;
- generalize the practice of application of antimonopoly legislation and develop proposals for perfecting it;
- work out and organize the implementation of measures aimed at the prevention of violations of antimonopoly legislation;

—systematically inform the population of Ukraine about its activities;

—take other actions for the purpose of monitoring compliance with antimonopoly legislation.

Article 8. Powers of the Antimonopoly Committee of Ukraine

Within the limits of the jurisdiction granted to it, the Antimonopoly Committee of Ukraine shall have the right to:

- ascertain the limits of commodity markets, as well as the monopoly position of entrepreneurs on it;
- issue to entrepreneurs binding instructions to put an end to violations of antimonopoly legislation and to restore the original condition, to forcibly split up monopolistic entities, and to repeal unlawful agreements between entrepreneurs;
- issue, to the central and local organs of state executive power and executive organs of local and regional self-government, binding instructions to cancel or amend unlawful acts adopted by them, to put an end to violations and cancel agreements signed by them that run counter to antimonopoly legislation, to ban or authorize the creation of monopolistic entities by central and local organs of state executive power, organs of local and regional self-government, as well as economic entities;
- submit to the relevant state organs requests, whose consideration is compulsory, to cancel licenses and discontinue operations in the area of foreign economic activities by entrepreneurs in the event that they violate antimonopoly legislation;
- assess fines in cases envisioned by legislation in effect;
- develop and confirm regulatory acts on issues falling within its jurisdiction which are binding on the central and local organs of state executive power, organs of local and regional self-government, entrepreneurs, and their associations, and monitor compliance with them.

Article 9. Chairman of the Antimonopoly Committee of Ukraine

The chairman of the Antimonopoly Committee of Ukraine shall be appointed by the Supreme Council of Ukraine on the recommendation of the chairman of the Supreme Council of Ukraine.

The chairman of the Antimonopoly Committee of Ukraine shall be a member of the Cabinet of Ministers of Ukraine.

The term of office of the chairman of the Antimonopoly Committee of Ukraine shall be seven years.

The chairman of the Antimonopoly Committee of Ukraine may be relieved (may resign) during his term in office solely if he so wishes, as well as in the event of his

committing a crime or egregious dereliction of official responsibilities, or in conjunction with his inability to discharge his duties for health reasons.

The chairman of the Antimonopoly Committee of Ukraine shall have the right to announce his resignation before the Supreme Council of Ukraine after a preliminary report on this by the chairman of the Supreme Council of Ukraine. Resignation of the committee chairman shall not entail the relinquishment of powers by state commissioners of the Antimonopoly Committee of Ukraine.

In all cases, the issue of relieving the chairman of the Antimonopoly Committee of Ukraine shall be resolved by the Supreme Council of Ukraine on the recommendation of the chairman of the Supreme Council of Ukraine.

Resignation of the Cabinet of Ministers of Ukraine shall not entail the resignation of the chairman of the Antimonopoly Committee of Ukraine.

The chairman of the Antimonopoly Committee of Ukraine shall:

direct the activities of the Antimonopoly Committee of Ukraine;

submit to the Supreme Council of Ukraine recommendations to appoint deputy chairmen and state commissioners of the Antimonopoly Committee of Ukraine and relieve them from their positions;

assign responsibilities to deputy chairmen and state commissioners of the Antimonopoly Committee of Ukraine;

confirm the structure, authorized staff complement, and estimated expenditures to maintain the Antimonopoly Committee of Ukraine, and the structure, total number, and labor compensation fund for the employees of all territorial offices;

be the administrator of budgetary appropriations for maintaining and ensuring the operation of the Antimonopoly Committee of Ukraine;

effect, in keeping with legislation, the hiring, reassignment, and dismissal of staff employees of the Antimonopoly Committee of Ukraine and its territorial offices, use incentive measures and impose disciplinary penalties on the employees of the committee and its territorial offices;

form temporary administrative collegiums of the Antimonopoly Committee of Ukraine to consider cases involving violations of antimonopoly legislation and appoint their chairmen;

issue orders, directives, statutes, instructions, and other acts which are binding on the employees of the Antimonopoly Committee of Ukraine;

represent the Antimonopoly Committee of Ukraine in relations with state organs, organs of local and regional self-government, entrepreneurs, citizens, and their associations;

exercise other powers envisioned in legislation.

The chairman of the Antimonopoly Committee of Ukraine shall report to the Supreme Council of Ukraine on the operation of the committee as demanded by the Supreme Council of Ukraine, but at least once a year.

The chairman of the Antimonopoly Committee of Ukraine shall have the status of a state commissioner envisioned by the present law.

Article 10. Deputy chairmen of the Antimonopoly Committee of Ukraine

Deputy chairmen of the Antimonopoly Committee of Ukraine shall perform individual functions of the chairman assigned by him and act for the chairman of the committee in the event that he is absent or unable to discharge his responsibilities.

Article 11. State commissioners of the Antimonopoly Committee of Ukraine

State commissioners of the Antimonopoly Committee of Ukraine shall be appointed to their positions by the Supreme Council of Ukraine on the recommendations of the chairman of the Antimonopoly Committee of Ukraine for a term of seven years.

State commissioners may not be appointed for more than two consecutive terms.

A citizen of Ukraine who is over 30 years of age, has a higher education in law or economics as a rule and a tenure of work in the profession of no less than five years during the last 10 years, may be a state commissioner.

State commissioners shall be members of the Antimonopoly Committee of Ukraine as the supreme collective organ.

State commissioners shall head or be members of administrative collegiums and discharge other responsibilities assigned by the chairman of the Antimonopoly Committee of Ukraine.

Article 12. Territorial offices of the Antimonopoly Committee of Ukraine

Territorial offices of the Antimonopoly Committee of Ukraine, whose powers shall be specified by the committee within the limits of its jurisdiction, shall be established in the Republic of Crimea, oblasts, and the cities of Kiev and Sevastopol to accomplish the tasks assigned to the Antimonopoly Committee of Ukraine. If necessary, territorial offices may be established in other administrative and territorial units.

Territorial offices shall operate on the basis of a statute approved by the Antimonopoly Committee of Ukraine.

Territorial offices of the Antimonopoly Committee of Ukraine shall be headed by the chairmen of territorial offices. The chairmen of the territorial offices and their deputies shall be appointed by the chairman of the Antimonopoly Committee of Ukraine. The deputy chairmen of territorial offices shall be appointed by the chairman of the committee on the recommendations of the chairmen of territorial offices.

The chairman of the territorial office of the Antimonopoly Committee of Ukraine in the Republic of Crimea shall be appointed in coordination with the Supreme Council of the Republic of Crimea.

Chairmen of territorial offices shall enjoy the rights and have responsibilities within the limits of their powers in keeping with the present law and the statute referred to in the second part of the present article.

Article 13. Meetings of the Antimonopoly Committee of Ukraine

Meetings of the Antimonopoly Committee of Ukraine shall be the form of operation of the committee as the supreme collective organ.

At its meetings, the Antimonopoly Committee of Ukraine shall:

consider and make decisions on cases over which the committee has jurisdiction;

revise, on recommendation from the chairman of the committee, the decisions of state commissioners or administrative collegiums of the committee;

approve the most significant departmental regulatory acts whose issuance is within the powers of the Antimonopoly Committee of Ukraine;

review proposals for amendments to legislation in effect based on the results of collating the practice of the application of antimonopoly legislation;

review draft reports on the operation of the committee for their submission to the Supreme Council of Ukraine;

review a statute on advisory organs of the committee and their membership;

form standing administrative collegiums;

hear state commissioners, chairmen of the territorial offices, and reports of the managers of subdivisions of the committee staff.

Chairmen of territorial offices may take part in meetings of the Antimonopoly Committee of Ukraine with a consultative vote.

Article 14. Administrative collegiums of the Antimonopoly Committee of Ukraine

Standing and temporary administrative collegiums, which are staffed with state commissioners and chairmen of the territorial offices of the Antimonopoly

Committee of Ukraine and consist of no fewer than three persons, shall be established to review individual cases of violation of antimonopoly legislation.

Administrative collegiums shall be formed along sectoral, regional, or other lines.

The chairman of a territorial office of the Antimonopoly Committee of Ukraine who is a member of an administrative collegium shall have equal rights in the decision-making process with state commissioners serving on the collegium.

Article 15. Staff of the Antimonopoly Committee of Ukraine and its territorial offices

The staff of the Antimonopoly Committee of Ukraine or its territorial offices, as appropriate, shall perform organizational, technical, analytical, information-reference, and other work to support the operations of the Antimonopoly Committee of Ukraine or its territorial offices, as well as prepare records for the review of cases involving violations of antimonopoly legislation.

A statute on structural subdivisions of the staff of the Antimonopoly Committee of Ukraine shall be approved by the chairman of the committee.

Section III. Status of State Commissioner and Chairman of a Territorial Office of the Antimonopoly Committee of Ukraine

Article 16. Rights and duties of state commissioners and chairmen of territorial offices of the Antimonopoly Committee of Ukraine

In keeping with legislation, a state commissioner of the Antimonopoly Committee of Ukraine shall have the right to:

go into enterprises, offices, and organizations without hindrance by producing an official identity card and have access to documents and other records which are necessary to carry out an inspection;

demand verbal or written explanations from officials and citizens;

demand to see the necessary documents and other information in conjunction with the exercise of his powers in order to verify compliance with antimonopoly legislation;

use, in coordination with the relevant central and local organs of state executive power, organs of local and regional self-government, enterprises, and associations, their specialists and deputies of local councils of people's deputies to carry out inspections and audits;

in keeping with the assignment of responsibilities, review cases of violation of antimonopoly legislation and make decisions based on the results of the review within the limits of his powers;

represent the committee before a court or arbitration panel without a proxy;

empower the staff employees of the committee and its territorial offices to exercise individual powers referred to in the present article.

A state commissioner, chairman of a territorial office of the Antimonopoly Committee of Ukraine must:

- meet the exact requirements of the legislation of Ukraine in effect, and be objective and unprejudiced in exercising his powers;
- forward petitions to the relevant state organs concerning violations of antimonopoly legislation of Ukraine by officials.

A state commissioner, chairman of a territorial office may not, without consent from the Antimonopoly Committee of Ukraine, serve on commissions, committees, and other entities formed by central and local organs of state executive power, as well as organs of local and regional self-government.

It shall be forbidden for state commissioners and chairmen of territorial offices of the Antimonopoly Committee of Ukraine to hold second jobs (with the exception of research and teaching activities), as well as to engage directly or indirectly in entrepreneurial activities.

Article 17. Independence of state commissioners of the Antimonopoly Committee of Ukraine

State commissioners of the Antimonopoly Committee of Ukraine shall be independent in exercising the powers, entrusted to them, to monitor compliance with antimonopoly legislation and during the review of cases involving violations.

State commissioners of the Antimonopoly Committee of Ukraine shall make decisions independently within the limits of their powers.

State commissioners of the committee shall make decisions at meetings of the Antimonopoly Committee of Ukraine and administrative collegiums, shall have equal rights, and shall be guided solely by the law.

Article 18. Disciplinary accountability and removal of state commissioners of the Antimonopoly Committee of Ukraine from their positions

State commissioners of the Antimonopoly Committee of Ukraine may be disciplined (except for removal) along general guidelines through the procedures established by the labor legislation of Ukraine.

A state commissioner of the Antimonopoly Committee of Ukraine may be relieved from his position:

- by reason of a health condition that hampers continuation of work;
- in keeping with his own wishes;
- in the event of an egregious dereliction of official duty or commission of a crime.

The Supreme Council of Ukraine shall relieve state commissioners of the Antimonopoly Committee of Ukraine on the recommendations of the chairman of the Antimonopoly Committee of Ukraine.

State commissioners of the Antimonopoly Committee of Ukraine shall be entitled to resign through procedures set forth in the legislation of Ukraine in effect.

Section IV. Legal Foundations for the Exercise of Powers of the Antimonopoly Committee of Ukraine

Article 19. Guarantees of the exercise of powers of the Antimonopoly Committee of Ukraine

The Antimonopoly Committee of Ukraine shall exercise its powers in keeping with the Constitution and laws of Ukraine, independently of the central and local organs of state executive power, organs of local and regional self-government, their officials, and entrepreneurs, as well as associations of citizens or their organs.

It shall be forbidden for the central and local organs of state executive power, organs of local and regional self-government, officials, associations of citizens or their representatives to interfere in the operations of the Antimonopoly Committee of Ukraine and its territorial offices, with the exception of cases envisioned by legislation in effect.

Influencing an employee of the Antimonopoly Committee of Ukraine or its territorial office in any form with a view to hampering the discharge of official responsibilities by him or to him making an unlawful decision shall entail penalties envisioned by legislation.

Article 20. Relations between the Antimonopoly Committee of Ukraine and the central and local organs of state executive power, organs of local and regional self-government

The Antimonopoly Committee of Ukraine shall cooperate with the central and local organs of state executive power, organs of local and regional self-government with a view to coordinating activities with regard to the issues of developing competition and demonopolizing the economy.

Territorial offices of the Antimonopoly Committee of Ukraine shall coordinate their activities with the local state administrations and organs of local and regional self-government.

The central and local organs of state executive power and organs of local and regional self-government must coordinate with the Antimonopoly Committee of Ukraine decisions on demonopolization of the economy, development of competition, and antimonopoly regulation, as well as secure the consent of the committee, through procedures specified by the latter, to establish, reorganize (merge, take over), or liquidate economic entities

and economic societies, to establish associations, concerns, and intersectoral, regional, and other unions of enterprises, and to transform government organs into said unions.

Article 21. Relations between the Antimonopoly Committee of Ukraine, organs of the procuracy, and the mass media

The Antimonopoly Committee of Ukraine and its territorial offices shall coordinate their activities with procuracy organs with regard to issues of detecting, preventing, and putting an end to violations of antimonopoly legislation.

The Antimonopoly Committee of Ukraine and its territorial offices shall cooperate with the mass media and public organizations in efforts to prevent violations of antimonopoly legislation.

Article 22. Mandatory compliance with the demands of state commissioners and chairmen of the territorial offices of the Antimonopoly Committee of Ukraine

Compliance with the demands of state commissioners and chairmen of the territorial offices of the Antimonopoly Committee of Ukraine within the limits of their powers before the deadlines specified by them shall be mandatory, unless provided otherwise in legislation in effect.

Failure to comply with lawful demands of a state commissioner or chairman of a territorial office shall entail a penalty envisioned by the law.

Documents and statistical and other information necessary to monitor compliance with antimonopoly legislation and review cases involving violations of it shall be furnished free of charge upon the demand of a state commissioner or chairman of a territorial office of the Antimonopoly Committee of Ukraine.

Information to which access is restricted by legislation and which has been obtained by a state commissioner or chairman of a territorial office of the Antimonopoly Committee of Ukraine shall be used by him in keeping with legislation in effect.

Article 23. Procedural principles of the operation of the Antimonopoly Committee of Ukraine

Activities aimed at detecting, preventing, and putting an end to violations of antimonopoly legislation shall be carried out by the Antimonopoly Committee of Ukraine, administrative collegiums, state commissioners, and chairmen of the territorial offices of the committee in compliance with the procedural principles set forth in the legislative acts of Ukraine.

Procedures for the review of cases involving violations of antimonopoly legislation by the Antimonopoly Committee of Ukraine and its territorial offices should ensure safeguarding of the rights and lawful interests of citizens, entrepreneurs, and the state.

Article 24. Decisions of the Antimonopoly Committee of Ukraine

Within the limit of their powers, the Antimonopoly Committee of Ukraine, state commissioners, administrative collegiums, and chairmen of territorial offices of the committee shall issue directives and decrees which shall be binding.

Appropriate decrees shall be issued by the Antimonopoly Committee of Ukraine, administrative collegiums, state commissioners, and chairmen of territorial offices of the committee on issues of the compulsory breakup of monopolistic entities, as well as the imposition of fines on entrepreneurs for violating antimonopoly legislation.

In the event of violations of antimonopoly legislation by entrepreneurs, officials of central and local organs of state executive power and organs of local and regional self-government, and managers of enterprises (associations, economic societies, and so on), state commissioners and chairmen of territorial offices of the committee shall draw up protocols on violations of antimonopoly legislation in keeping with the Code of Ukraine on Statutory Violations of Law.

Information about the decisions of the Antimonopoly Committee of Ukraine shall be published in the newspapers GOLOS UKRAINY and URYADOVYY KURYER.

Article 25. Approaching courts or arbitration panels

With a view to defending the interests of the state, consumers, and entrepreneurs, the Antimonopoly Committee of Ukraine and state commissioners of the committee shall, in conjunction with violations of antimonopoly legislation by state organs, legal entities, and individuals, file petitions (lawsuits) with courts or arbitration panels, including those seeking:

pronouncement of the acts of central or local organs of state executive power, or organs of local or regional self-government void, and the discontinuation by them of actions restricting competition, in the event of their failure to comply, before the established deadlines, with directives of the Antimonopoly Committee of Ukraine to cancel the unlawful acts, end violations of the law, and so on;

compensation for losses inflicted by violations of antimonopoly legislation;

confiscation of profits illegally received by agents of entrepreneurial activity as a result of violations of antimonopoly legislation;

and [lawsuits] for other reasons envisioned by legislation in effect, as well as to refer to courts protocols on statutory law violations for the assessment of fines against officials in keeping with legislation in effect.

Section V. Other Issues of the Operation of the Antimonopoly Committee of Ukraine

Article 26. Scientific and methodological support for the operation of the Antimonopoly Committee of Ukraine

The Antimonopoly Committee of Ukraine shall form consultative organs, engage in technical, economic, and scientific research, use experts and consultants, and prepare cadres using special curricula in order to develop recommendations on the issues of organization and operation of the Antimonopoly Committee of Ukraine, the methodology and techniques for monitoring compliance with antimonopoly legislation and for applying and perfecting this legislation, as well as to develop recommendations on other issues.

Article 27. Strength, authorized personnel complement, and labor compensation fund of the employees of the Antimonopoly Committee of Ukraine and its territorial offices

The maximum number and labor compensation fund for the employees of the Antimonopoly Committee of Ukraine and its territorial offices shall be specified by the chairman of the Antimonopoly Committee of Ukraine in coordination with the Presidium of the Supreme Council of Ukraine.

The authorized personnel complement of the Antimonopoly Committee of Ukraine and its territorial offices shall be approved by the chairman of the committee and the chairmen of territorial offices, respectively, within the quota of allocated appropriations.

Terms for labor compensation to the chairman of the Antimonopoly Committee of Ukraine, state commissioners, and chairmen of the territorial offices of the committee shall be specified by the Presidium of the Supreme Council of Ukraine.

Article 28. Funding and material and technical support for the Antimonopoly Committee of Ukraine

The Antimonopoly Committee of Ukraine and its territorial offices shall be funded out of the monies of the state budget. The volume of such appropriations shall be established annually by the Supreme Council of Ukraine in the process of approving the state budget.

Estimated expenditures for the maintenance of the Antimonopoly Committee of Ukraine and its territorial offices shall be approved by the chairman of the Antimonopoly Committee of Ukraine and the chairmen of the territorial offices, respectively, within the limits of allocated appropriations.

Local organs of state executive power and local councils of people's deputies shall provide the necessary official premises for the relevant territorial offices of the Antimonopoly Committee of Ukraine under leases within one month after the formation of the territorial offices.

Transportation and material and technical resources shall be provided for the Antimonopoly Committee of Ukraine out of the state budget of Ukraine through procedures set forth by the Cabinet of Ministers of Ukraine.

Article 29. Protection of personal and property rights of the employees of the Antimonopoly Committee of Ukraine

Employees of the Antimonopoly Committee of Ukraine on official duty shall be representatives of state power. Their personal and property rights shall be protected by law on a par with employees of law enforcement organs.

Article 30. Identity cards of employees of the Antimonopoly Committee of Ukraine

State commissioners, chairmen of territorial offices, and executives of the Antimonopoly Committee of Ukraine and its territorial offices shall have official identity cards. A statute on the official identity cards of the employees of the Antimonopoly Committee of Ukraine shall be approved by the Presidium of the Supreme Council of Ukraine.

[Signed] President of Ukraine L. Kravchuk
Kiev, 26 November 1993

Decree on Law's Implementation

944K0505B Kiev GOLOS UKRAINY in Russian
21 Dec 93 pp 4

["Decree of the Supreme Council of Ukraine: On Procedures for Enactment of the Law of Ukraine On the Antimonopoly Committee of Ukraine"]

[Text] The Supreme Council of Ukraine resolves:

1. The Law of Ukraine On the Antimonopoly Committee of Ukraine shall be enacted on the day of its publication.
2. Until legislation is brought into conformity with the Law of Ukraine on the Antimonopoly Committee of Ukraine, the acts in effect shall be used insofar as they do not contravene the present law.
3. The Commissions of the Supreme Council of Ukraine for Issues of Economic Reform and Management of the National Economy, and for Issues of Legislation and Legal Order, jointly with the Cabinet of Ministers of Ukraine, shall be instructed to prepare and submit for consideration to the Supreme Council of Ukraine:

before 1 January 1994—draft laws of Ukraine on amendments and additions to the Constitution (Main Law) of Ukraine; on amendments and additions to the Law of Ukraine on Restricting Monopoly Practices and Preventing Unfair Competition in Entrepreneurial Activities; on amendments and additions to the Code of Ukraine on Statutory Violations of Law;

before 1 February 1994—a draft of the Code of Antimonopoly Procedure of Ukraine.

4. The Cabinet of Ministers of Ukraine shall:

before 1 January 1994, develop proposals for bringing legislative acts into conformity with the Law of Ukraine on the Antimonopoly Committee of Ukraine and submit them to the Supreme Council of Ukraine for consideration;

bring the decisions of the Government of Ukraine into conformity with the present law, as well as ensure revision and repeal, by ministries and other central organs of state executive power, of regulatory acts that run counter to the present law;

envision, for 1993 and subsequent years, allocation of the necessary amount of transportation vehicles, computer equipment, other material and technical resources, housing construction quotas, and funding

of expenditures to ensure the operation of the Antimonopoly Committee of Ukraine and its territorial offices;

jointly with the government of the Republic of Crimea, local state administrations, and executive committees of the local councils of people's deputies, allocate, in the second half of 1993, official premises to the territorial offices of the Antimonopoly Committee of Ukraine necessary for their accommodation and operation.

5. Within one month, the Antimonopoly Committee of Ukraine shall approve temporary rules for the consideration of cases concerning violations of antimonopoly legislation which shall apply until the relevant legislative acts are adopted.

[Signed] Chairman of the Supreme Council of Ukraine I. Plyushch
Kiev, 26 November 1993

MOLDOVA

Supreme Court Chairman Views Judicial System Development

944K0569A Chisinau MOLODEZH MOLDOVY
in Russian No 48, 21 Dec 93 pp 6-7

[Interview with Pavel Barbalat, president of the Parliament of the Republic of Moldova, recorded by Gennadiy Skvirenko; place and date not given: "The Third Estate Is Strengthening Its Positions"]

[Text] Our guest is Pavel Andreyevich Barbalat, president of the Parliament of the Republic of Moldova. A lawyer with a length of service of almost 40 years. He has risen to his present very high position from the lowest rung, having missed none. He tells a good joke. He does not respond to criticism in the press but does not shun meetings with correspondents.

[Skvirenko] Let us begin the discussion with a most general question: What impression of the present would you note as being characteristic of today's crime situation?

[Barbalat] I have tried several contrasting criminal cases in succession recently. In Yedinets a son killed his father. In Stefan Vode a father killed his child. I recently took part in a trial in Kahula in which there should have been in the dock instead of the young man accused of having killed two persons his mother, perhaps.... You know what frightens me? The severance of the ties between the generations. The ties that hold together the moral health of both the family and society.

[Skvirenko] You spent two days in Kahula, I believe?

[Barbalat] Four. It was a very serious business.

[Skvirenko] Describe it in more detail, if you can.

[Barbalat] It is essentially a graphic example of the tragic consequences of the disintegration of the family. Husband and wife did not get on. The man had been free with his fists, for which he had done time, and once at liberty, he left his wife and two sons and went away. In her search for consolation the woman took to liquor. And she turned her home into a den of iniquity, collecting drinking companions aged 17 to 70.

[Skvirenko] And what about the sons?

[Barbalat] The elder went into the army and is serving as a warrant officer. The younger one—he is 31—also earned a living. But things were harder for him. He would hear continually from people: There's your mother cavorting around drunk—come and get her. Or he would be called to come and restore order in the house—the drinking companions would be letting themselves go once again.... So it was on this occasion also. He went to his mother's, there were two others there. One was about 60, the other, 40. The 40-year-old, bare to the waist, had struggled into his mother's winter coat, with a

fur collar. The young man suggested that they cut it out, they set about him. With language and threats. And he then threw them out onto the street and then beat them up such that one died on the spot, the other, in hospital.

[Skvirenko] A karate expert, perhaps?

[Barbalat] Not to look at. He is puny in appearance. Those two were far bigger and healthier. But he gave them such a thrashing—something fearful. And here he is in the dock. I asked the mother: Have you any understanding that it is primarily you who are to blame for the fact that those two were killed, for the fact that your son is on trial, for what threatens him?... "Yes, I am to blame, please do not pass judgment on him...." But a life has already been maimed, and the people cannot be brought back. And all because people have lost their human qualities.

[Skvirenko] There is more freedom, but we are not seeing that it has been to everyone's benefit.

[Barbalat] No, we proclaim freedom of the personality. But note: freedom of the personality, not freedom of the animal. The personality is a product of culture, it means respect for other personalities. Oversimplification is very dangerous here. But that which is simpler is very much in vogue with us. People say: Let us restore the economy. Once people are living better, they will become kinder of their own accord.

[Skvirenko] We have already been through this, it would seem....

[Barbalat] Or even to boast that adolescents are washing cars and selling cigarettes—just like in the West, where the children of millionaires deliver newspapers. But it is clean forgotten here that socioeconomic conditions with us have as yet undergone merely superficial changes and that our tenor of life is changing as yet merely in the sense that it is being destroyed. And destruction is always a very painful process.

[Skvirenko] With unclear prospects, what is more.

[Barbalat] And the result is that from whatever side the problem is viewed, it is a problem of people's relationships. How to resolve it? By education? Compulsion? For several years our educationists pushed the idea of the establishment of the responsibility of the parents for their children's incorrect behavior.

[Skvirenko] There is something in this, it would seem....

[Barbalat] Exactly as much as there was in another idea, when in the years of the punitive measures children paid for their convicted parents.

[Skvirenko] But there was another proposition also: "I am responsible for everything!"

[Barbalat] A handsome declaration. But it is in fact necessary for everyone to be responsible primarily for his

conduct. Before both his conscience and the law. Only on this basis are normal human relationships possible.

[Skvirensko] But there should, after all, be some principle of the creation of this basis?

[Barbalat] There is just one principle: People need to be made accustomed to order not by talk, not by declarations, but by order. By the precision of demands and rules. By the clarity of the structures and the logic of their functioning. It is from such an approach, incidentally, that the principle of the separation of the branches of power ensues.

[Skvirensko] I was looking for an opportunity to ask about this—about what the feelings of the third, judicial, estate are. Journalist colleagues of mine call themselves the fourth estate, incidentally, but this sounds nothing more than a joke. Is this not the way it is with you?

[Barbalat] I would call our situation satisfactory.

[Skvirensko] You feel no pressure?

[Barbalat] There has been no intrusion upon our competence on the part of the official legislative and executive authorities. But on the part of certain persons, among the deputies particularly, there have been such attempts. Futile, of course. We have official forms of interaction, after all: an appeal or inquiry, in respect to which we examine a fact or problem and give the proper answer.

[Skvirensko] Quite so. But there is a need for the development and improvement of the mechanism of the third estate itself. Do you sense this need?

[Barbalat] I will go further. We have sent parliament, I'm afraid to name this figure even, a whole package of bills on questions of our activity, on judicial and legal reform. And I would like to emphasize the profound meaning of these proposals, which is directly connected with the subject of our conversation: They are all ultimately dictated by an aspiration to the fuller observance of human rights. Let us take, for example, the structural question. We still have a two-tier judicial system: the people's court and the Supreme Court. And that's it. The result is that the Supreme Court is continually acting the part of court of original jurisdiction handling the more complex cases. Whereas its function is summary, analytical, generalizing. But we have no courts of appeal, nor is there a Supreme Court itself essentially. It is hard to avoid violations of human rights in such a situation.

[Skvirensko] And the actuality of the court's independence becomes an important facet of this problem....

[Barbalat] Of course. Although in this respect also there is a simplistic approach, when the problem of independence is reduced merely to the court being subordinate neither to parliament nor the government.

[Skvirensko] But there was the instance of parliament wanting to hear you render account of your work!

[Barbalat] Yes, and several parliamentary commissions presented such an initiative simultaneously, incidentally. I had to respond: If you insist, I will present a report. But I will feel ashamed in front of my foreign colleagues. Not for myself but for parliament, which has displayed before the world community such a lack of respect for the fundamental principle of democratic arrangement. In sum, I persuaded them to drop this idea. But, I repeat, the problem of the true independence of the court is not exhausted by such satirical-article collisions. The main questions are rooted within the judicial system itself. For example, the Code of Criminal Procedure and the Code of Civil Procedure with us record: Directives of the superior authority are binding on the lower authority. But where is the independence here, pray? At the present time there is none. I do not want to say that the current model is necessarily fraught with malfeasance. But... there are instances of even the judges beginning to strike a balance. He has rendered a judgment, and this judgment has been countermanded. Aha, the judge gets the point, since the decision to satisfy the suit was countermanded, we now need to deny the suit. But the Supreme Court reversed the ruling not because the judge was wrong. But because there were insufficient grounds for the ruling. But the judge reacts in accordance with the rule: Since it came from the superior authority, it is, consequently, an order. And this is wrong.

[Skvirensko] You speak so self-critically about this. We do not hear this that often.

[Barbalat] We recently received expert findings from our colleague on the U.S. Court of Appeals. He literally tore to shreds our celebrated Article 54 of the Code of Civil Procedure.

[Skvirensko] And what article is this?

[Barbalat] It requires the court to assist the plaintiff and the defendant in obtaining additional and, from the court's viewpoint, necessary evidence. The American writes: What kind of court is this if it may, as it chooses, assist one party in obtaining additional evidence? There should be one rule in court: Whatever a person has brought to court he uses as evidence. And nothing doing, as they say, no trial either.

[Skvirensko] Strict, but fair. A deforming influence on the judicial process is also being exerted, incidentally, by the inequality in the position of prosecutor and attorney, which is traditional here.

[Barbalat] There was a time when the prosecutor, generally, exercised supervision of the activity of the court—this is now called supervision of the legality of the adopted judicial decisions. Such supervision is alien to normal civilized countries. If a judicial error has been made, it is rectified with the aid of the judicial mechanism. So the nonequivalence of the position of prosecutor and attorney is a continuation of that same outdated trend. Yes, all participants in the legal process should, of course, be placed under equal conditions. And, of course, the real independence of the court should

be assured also—then it could be said that our judiciary was reaching the level of the world standard.

[Skvirensko] And now the most topical question. What effect is the election campaign, which is just getting under way, having on your activity?

[Barbalat] It is known that we have delegated to the Central Electoral Commission seven justices, who constitute its legal nucleus, as it were. The Election Act made provision for five justices, incidentally, but parliament decided to enlarge the size of the "brigade of justices." To Lucinschi's question concerning our attitude toward this quota, I honestly replied: with misgivings. For it seemed to us that an opportunity to involve us in some political games would emerge. But since this is the decision that has been adopted, we will do everything in our power for the strictest compliance with the requirements of the law.

[Skvirensko] And are your misgivings being justified?

[Barbalat] As yet, no. We are not taking part in any political or social actions even. We recently had an awkward discussion on this subject with a television official—he demanded in a tone of voice implying an order almost that our representative take part in a session of a roundtable on election matters. I categorically prohibited this. But, on the other hand, the judges are prepared, in accordance with the law, to examine most promptly locally all citizens' complaints on questions of this violation or the other in the course of the preparation and holding of the elections. And in accordance with the law, of course, the Supreme Court has to make a final ruling on the legality of the parliamentary elections of 27 February 1994. Generally, such a ruling should be made by a constitutional court, but inasmuch as we do not have such, parliament has entrusted this mission to us—in the person of a plenum of the Supreme Court of the Republic of Moldova.

[Skvirensko] With what would you yourself like to end our interview?

[Barbalat] I would like to return to the beginning to stress that the court is not an organ of struggle against crime, as certain journalists and public figures are attempting to maintain. The idea of the court is the idea of justice ensuring the health of the social and state organism by means of unswerving respect for human rights. As far as the fight against crime proper is concerned, I remember well, you know, the programs that were drawn up in party bodies and oriented us toward the phased eradication of crime—in terms of timeframe and percentages, by nature and category.... Such programs do not work! As long as civilization exists, most likely, it will be dealing with this problem. Nonetheless, its scale and seriousness will undoubtedly depend on all of us. And will result primarily from our attitude toward the problems of the youth, adolescents, and children. Let Minister for Youth Affairs Sandulachi not be offended with me, but it seems to me that these problems have moved somewhere toward the periphery of our attention. For instance,

adolescents left fully to their own devices are busy with self-education in far from the best forms and traditions.... And what do the schoolchildren do during vacations? The camps and holiday hotels are empty, and even passes to children's playgrounds are beyond the reach of the majority of parents.... Where are we leading our children, our youth?

[Skvirensko] Where are we pushing them, it would be more correct to say.

[Barbalat] The answer to this question, unfortunately, has to be drawn from judicial practice. And we need, like the air we breathe, a different practice—one of normal, valuable, healthy relations between people. Without this nothing good with us will result. Neither in the economy nor in policy. Neither in the family nor in the country. For we will always get what we deserve. No less. But no more either.

Nation's Trade Imbalance, Technological Dependence Examined

944K0557A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 7 Dec 93 p 2

[Article by Sergey Pavenskiy, doctor of economics:
"Problems of Moldova's Technological Dependence"]

[Text] The specific nature of Moldova's technological dependence consists in the fact that all the major enterprises of the republic are oriented on the incoming shipment of spare parts and components from a raw material base in mainly one country—Russia.

It would be possible to reduce technological dependence only if changes were made to the structure of production, which would require time and funds.

Faced with the threat of fuel famine, the government has begun to involve itself in these matters on an empirical level, reacting with great delay to the consequences, but not to the reasons behind it.

Whereas in Russia and Ukraine the coefficient of dependence of end product volume on external relations amounts to 0.31 and 0.41, respectively, in Moldova this figure is 0.995. That is, for Moldova a one-percent fluctuation in external relations yields practically the same degree of change in end product volume. In other words, Moldova's technological dependence amounts to almost 100 percent.

Among the republics of the former USSR, Moldova has one of the highest shares of interrepublic imports in production (27 percent) and exports (24.1 percent) in output consumption. The index of production share in the heavy industry sectors in interrepublic imports in the republic is quite high (72.8 percent), and in exports it is the lowest (25.5 percent).

The indices presented here are averaged. The technological dependence of certain plants of Moldova upon republics of the former USSR and other countries is

greater still. We import all television set components from Russia, Belarus, Bulgaria, and Romania. Many enterprises, chiefly those that used to be under Union jurisdiction, have been obtaining absolutely every single component part from other republics.

In international practice, the coefficient 0.25 is considered to be the critical level with respect to technological dependence. The following example shows what this means in practice.

Germany will never permit Russian oil and gas to constitute more than 20-22 percent of its trade and energy balance. To make up for its energy shortages, it will acquire energy from the Near East and Africa, and will do so in such a manner that no single country supplies more than 20-22 percent of Germany's energy needs.

The economy of Moldova today and in the near future will be unable to function normally without relations with the republics of the former USSR. This is objectively conditioned by Moldova's level of specialization and its role in the all-Union division of labor that used to exist. About 82 percent of Moldova's exports and more than 75 percent of its imports are attributable to the CIS countries.

For trade turnover with the republics of the former USSR, exports and imports for 1992 amounted to: 55.7 percent with Russia; 22.1 percent with Ukraine; 10.1 percent with Belarus; 2.0 percent with Uzbekistan; and 2.8 percent with Turkmenistan.

We see approximately the same picture being maintained for the first half of 1993. The greatest percentage of materials, raw materials, equipment, and other output imported into Moldova comes from Russia. Next in line are Ukraine and Belarus.

It must be noted that we have already lost a portion of the CIS market. This is partly our own fault and partly due to the fact that Russia has introduced extremely high excise and other taxes on our traditional export products—champagne, wines, and cognacs. This has resulted in decreased export volumes of these products—by 20, 47, and 64 percent, respectively.

The press service of the Ministry of Economics reports that over the first nine months of 1993, wine exports from Moldova to Russia decreased by 47.1 percent, cognac by 64 percent, and champagne by 20 percent. Moldova is losing one of its most important sales markets, its place being occupied by Germany, Poland, Italy, Finland, and other countries that are shipping production output at intentionally understated prices. Moldova may find itself squeezed out of this market precisely at a time when the Western market is not accessible to it. This has already significantly diminished our opportunities to acquire the resources and fuel so necessary for the normal functioning of the economy.

It should also be noted that Russia has in no way always observed principles of fairness in its economic relations with republics of the former Union. However, neither has Moldova always adhered to civilized principles in its relations with Russia (we recall the recent incident involving clandestine reexport of oil).

Therefore, the question of integrating Moldova into CIS structures and of utilizing the internal market of the Commonwealth acquires not just an economic aspect, but an ethical one as well.

The technological dependence of Moldova is intensified by three circumstances: It is impossible in the present stage to resolve the republic's urgent problems without foreign assistance, which must amount to about \$500 million.

In the opinion of specialists, the state debt of Moldova may reach a level greater than \$300 million by the end of this year. And it is felt this assumption is justified, insofar as the republic's production structure is reproducing a hard currency deficit since noncompetitive output is being produced. This debt will constitute a heavy burden on the shoulders of future generations.

The press service of the Ministry of Economics asserts that the total amount of credits, without interest, will not exceed \$131.3 million, but the balance of assets and liabilities with respect to Moldova's foreign debt is tentatively expected to amount to \$191.3 million by the end of this year.

At the same time, the leadership of Moldova's trade unions declares that we are already indebted to foreign banks in an amount on the order of \$450 million. In addition, on the eve of the introduction of our national currency we will receive rehabilitation credit in the amount of about \$300 million to provide support for the national currency rate and cover certain expenses for the purchase of energy, etc.

Still one more aspect capable of intensifying Moldova's technological dependence is the incorrect selection of priorities. In the process of privatization, rural residents obtain advantages: In addition to national-wealth certificates, the property and land of kolkhozes, sovkhoses, and sections of processing enterprises are transferred to them for their free use and possession, as well as preferential-term credits, which are not always returned. With such a distortion, Moldova may become a purely agrarian country with a backward economy. Everyone understands the importance of agriculture and the need to provide it assistance. But if we do not become seriously involved in research-intensive, resource-economizing, and labor-conserving technology, the republic will never raise itself to the level of the developed countries.

Here it is necessary to accomplish several tasks: First of all, determine priorities in the agro-industrial complex itself and provide it with state support; second, we must attract foreign capital in order to develop agriculture. An

example of this is the establishment, based on the Orkhey Pig Farm, of a joint enterprise with the participation of Italian and American livestock output-processing firms. Third, we must effect state stimulation of the development of research-intensive production output on the islands of scientific and technological progress that still remain in Moldova. In the opinion of the trade union leadership, prices for sugar, sausage, and other food products will be two or three times the level of world prices in the very near future due to regular increases in energy costs. This may lead to a situation where agriculture finds itself bankrupt and Moldova gradually turns into a raw material appendage and a supplier of cheap manpower. In other words, we need to resolve a twofold problem: the attraction of foreign capital and entry into the world market, on the one hand, and the protection of our domestic market, on the other. A glut on the market takes place not because society does not need the production output in question, but because production costs are so high that there is no demand for the output. In Moldova, where price increases are significantly outpacing wage increases, such a situation is turning into the norm.

Priority is given to intermediary trade activity when the majority of businessmen (about 80 percent) are engaged not in production, but in trade. This affects the state sector of the economy as well. Thus, of the proceeds from every bottle of wine, wine growers get only 7-10 percent, while trade gets 20 percent. One can borrow accordingly, but the debt has to be commensurate with the national income, using hard currency to produce competitive output. Simply put, one must not buy fish, but rather buy a fishing rod and learn how to catch fish.

How can we reduce the technological dependence of Moldova and bring it in line with the normal, average level (there is no such thing as absolute independence from other countries or from the world market)?

First of all, production relations must be strengthened. The most effective way to reduce the technological dependence of the republic is to effect integration into the CIS production structures through acquisition of a package of shares—of Russian oil-production, oil-refining, and other enterprises, let us say, which will gradually be transformed into transnational corporations.

As far as the sale of wine base is concerned, first of all, the export of unprocessed product is a sign of backwardness of the republic; second, the wine base itself is many times less expensive than ready wine; third, in selling base wine to the CIS countries we provide work for the citizens of these states, while unemployment in our own republic is reaching threatening proportions.

The penetration of Moldova into Western markets is a matter of no small importance. But by virtue of the existing division of labor, all positions are filled there. Competitive production output is therefore required, which we simply do not have.

Thus in order to resolve the problems of technological dependence, we must reorient the economy of Moldova not only towards the markets of countries of the East, but on those of the West as well.

Lebed on Dniester Role, 14th Army Concerns
944K0564A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 18 Dec 93 p 3

[Interview with Lieutenant General A. Lebed by A. Platitsyn; place and date not given: "I Shall Remain the People's Champion"]

[Text] Since the newspapers published in the Dniester region are not distributed on the Bessarabian territory of the republic (especially, naturally, the newspaper of the 14th Russian Army SOLDAT OTECHESTVA), it is sometimes necessary to print excerpts from certain articles or references to them.

In this case the interest in the item is so great (after being quoted repeatedly on radio and television) that we decided to reprint the article in its entirety in spite of its length. The more so since the crucial nature of the information and the clarity of presentation are among its undisputed merits.

[Platitsyn] Alexsandr Ivanovich, it seems that in the Dniester region things are proceeding to a point where, as you predicted in an interview for KOMSOMOL-SKAYA PRAVDA in April, the people are just about to "reach for their pitchforks." Negotiations on a political settlement, in spite of the efforts of the mission of the CSCE and the plan it proposed for reconciliation of the sides, have come up against insurmountable differences. Nobody wants to back down. Having been left the only collector of old Soviet money, the republic is rushing toward a financial and economic crash. One cannot quite understand the attempts on the part of the authorities to regulate monetary circulation by political methods. What do you have to say about the situation that has developed?

[Lebed] Pay attention to the trio in the Dniester delegation to the negotiations with Moldova. A. Volkova, V. Yakovlev, and T. Zenovich will make every effort to continue these negotiations forever and make sure they come to nothing. And this in no way serves the interests of the people. Both delegations remind one of cats in heat sitting for hours opposite one another howling plaintively but always ready to pounce on a rival. The conclusion of the CSCE mission is a balanced and well-considered document. Not everything in it is indisputable. But it is possible to talk. This requires only one thing—the existence of political will. And this is lacking and none can be seen in the future so far. I do not want to second-guess Moldova—they are approaching the subject of the negotiations from different positions.

As for the Dniester region, the question is extremely clear here. From many years of experience we know that authority corrupts people so severely that it is necessary

to be very stalwart and conscientious person in order to have the courage to renounce it voluntarily. Under the cover of political demagoguery and primitive duping of the people, authorities in the PMR [Dniester Moldovan Republic] are doing everything they can to preserve the gigantic political superstructure that has been created recently. This entire theater with the president, the commander in chief, the ministers, the generals, and the innumerable host of civil servants and assistants constitute an unbearable burden on the people's back. In words we all respect Lenin for his modesty and his Spartan way of life, but in reality practically nobody is willing to give up their privileges provided by power. On the contrary, they have conveniently placed their wives and children in prestigious offices, stuck antennas in luxurious government foreign limousines, and darkened the windows in them so that the people cannot see their servants, and they ride around Tiraspol splashing mud on the bus stops of the people they are supposed to be serving day and night.

If there is an opportunity they take a free trip to America or Austria, and they do not even consider it necessary to inform the people of the purposes or results of these trips, or they might fly to Sakhalin to hang out for 10 days. Which is not to say that any fish will be delivered from there. Understandably, a person would have to be a fool to turn down such benefits. Let us imagine for a moment that same "colonel" Gratov: sober-minded, he rides the bus, he has gone without pay for three months. This is not even funny. People like him would lay down their life for the republic although, true, they send others to defend it. And they themselves will get drunk feeling sorry for the deceased. This is why we cannot count on the success of the negotiations under these conditions.

The people of the republic must beware of something else. The stubbornness of the Dniester region could end up with unfavorable consequences for the republic. Both Russia and the CSCE (God help Ukraine to survive by itself) could turn against it, and then the evil wish of V. Novodvorakaya, who suggested that Romania seize the Dniester "dowry" lock, stock, and barrel, might come true. And events might develop.

Anna Zakharovna Volkova uttered some remarkable words: "Think, people!" I can only add: "Think and act, people! Act before they reign you in completely...."

[Platitsyn] Might it not turn out that the complete paralysis of the economy and hyperinflation in the republic will make any negotiations in the political area unnecessary?

[Lebed] Now about money. Tajikistan, tormented by war and interethnic strife, has pawned its mountains and its glaciers in exchange for the credit of 120 billion Russian rubles of the 1993 model in cash. It was granted because the republic did not send its mujahidin to protect the White House. There, they measure before they cut.

Russia has not and will not give anything to the Dniester region, and there is no longer anything to pawn here. Everything has long since been secretly mortgaged and remortgaged. The naive citizens of the republic and the old timers, their heads filled with ideological clichés, who raised a fuss during the proceedings on the Ilashu case, think that the republic is being controlled by the president and the Supreme Soviet. Would that it were! The real ruler of this region is the Moscow supermillionaire with the nickname of Zika. I know that the authorities are now beginning to pretend that this is the first time they have heard about this. Zagradskiy will be especially adamant. Fortunately, this is well known in the corresponding institutions of Russia and Interpol, where the figure of our banker stands out in a fairly unattractive light.

The rapid collapse of prices has not made itself fully felt yet. This avalanche is just beginning to slide. By the new year, when the PMR is left in proud solitude with the "Leninists" whom nobody needs, everything will inevitably collapse. And no matter how the authorities may try by arbitrary decisions to control the "Dniester ruble" with the American dollar, they will not succeed. There are Napoleons all over the place, although, true, it is nice to cure them somewhere else.

The miracle will not happen. Merchants will close down and seek their fortune in other regions. The markets, which even today look like they have been raided by Mamay, will finally turn into refuges for the homeless and city dogs and cats, and I do not think it is even necessary to remind you of what is going on in the stores. It cannot be ruled out that a "nest egg" has been stashed for the new year in the warehouses and bases, and it will be brought out before the holiday so that those in the darkened limousines can see how the people fight over it in the waiting lines.

And after the new year "we will pour out the water." True, the "farm boys" (there is such a category of prisoners) do not like to take the "ration," it is considered "too low," and therefore there will be bread, milk will be rationed, there will be juices, and there will be pickles in jars and nowhere to get rid of them. And those who today are beating their chests and putting on a show of excessive fastidiousness for the people will switch to dollars and Russian rubles. They have them. And in sufficient quantities.

[Platitsyn] You obviously have in mind the public statement by the speaker of the Supreme Soviet when Grigoriy Stepanovich who, without justifying the high price he put on moral damage to him, began to "count his chickens before they were hatched," promising the blind and disabled to more than compensate through the court for budget outlays stolen by A. Bolshakov and others.

[Lebed] Very nicely put. I read the so-called complaint of Grigoriy Stepanovich, which was extremely illiterate from the standpoint of the civil code. G. Marakutsa applied to an "independent" court as "chairman of the

Supreme Soviet of the Dniester Moldovan Republic" and not as a citizen. Thus, exerting pressure on the court: "You, Semen Afanasyevich, decide who is guilty but keep in mind whose side you must defend if you want to remain in your post!" Typical "telephone law."

I was in Moscow when Grigoriy Stepanovich suddenly started counting the unexpected receipts of foreign millions. I saw his theatrical demarche on a videotape and I got the impression that it was all a cheap trick.

What can come of this? The speaker, clearly twisting the facts and making unproved accusations, is raising the question in a very narrow way. He persistently exclaims: "Prove that it was I!" But let us agree that under the wing of an honest leader all kinds of crooks and swindlers can operate with impunity. And who needs a chief of the legislative power who gives his tacit consent to the creation of "miracles?" The plan is simple—to divert people's attention.

The court completed its "proceedings" on the Bergman-Gratov case at the beginning of May, but the court decisions have not yet been carried out because for seven months Bergman's case has been sitting in the Supreme Court of the PMR. Bergman has been stubborn and demands that Shevtsov, Belousov, and others be called as witnesses in the Stepygin case.

Exactly the same thing will happen with this case. The court will begin to dig around in this mud, spread it on other individuals, the case will drag out for months if not years, and Grigoriy Stepanovich will continue to rule the Supreme Soviet as if nothing had happened.

And then, frankly, I do not believe him. Grigoriy Stepanovich has already made many blunders. Once in an interview for the newspaper SEGODNYA he named too high a pension for former military servicemen so that the pensioners almost had a stroke. Then right on the air in front of all the Dniester region he nailed V. Gorbov to the cross, informing Dniester region residents of the out-and-out lie about the son of a "deserter" from the Shevtsov Guard, who was supposed to have been pursuing his activities in organs of the Moldovan Ministry of State Security in Beltsy. Next on AsKET [expansion not given] came Gorbov's only legal wife, who announced with a tremor in her voice: "Forgive me, Grigoriy Stepanovich, but I did not give birth to any sons. God did not send me any!" Let us ask ourselves this question: Is it possible to believe a person when it comes to serious matters if he has the habit of lying about small things? I do not think so.

As for the documents, we shall submit them: We shall mention the accounts through which money and licenses with the signatures of some very well-known people passed and we shall name names. The people say that a friend in need is a friend indeed. There is a time for everything.

And I will end by reminding the readers of a statement from Minister A. Saydakov in court. At that time he was

acting in the role of voluntary advocate in the case of D. Kondratovich, who also wanted to withdraw from AsKET R1.5 million to study the problems of the "gays." What did Aleksandr Yefimovich say at that time? That soon the courts would be flooded with complaints from the powers that be about protection of their "sullied" honor. And have many complaints been filed up to this point? Not a single one! Draw your own conclusions....

[Platitsyn] Aleksandr Ivanovich, it seems that Anna Volkova stated in public that you, having neither documents nor "even poor copies," had entered, to put it mildly, on the path of back room intrigue and you are persistently trying to discredit the authorities in the eyes of the population. Now, judging from everything, the time has come for you to begin to "play your trumps." Do you have a lot of them in your hand?

[Lebed] More than enough. In general I am doing work that is alien to me. But it has already turned out that people are coming to me and continuously supplementing my collection of documents about the life of the "Dniester Court." Since the minister of security is not very intelligent, Shevtsov's "disinformation" sticks out like a sore thumb and therefore these "documents" go immediately into the wastebasket. I have specialists capable of distinguishing authentic from counterfeit.

But honest people who have access to the real documents, all those who suffocate in an atmosphere of falsehood and lawlessness, who understand the danger to themselves and those around them, are coming to me. I cannot give the names of these people because they would be fired immediately. And the most obstinate would be "removed from circulation," as Vadim-Vladimir Shevtsov-Antyufeyev likes to say.

Let us recall that everything that was discussed previously has been confirmed. We have asserted so many times that Bolshakov junior is a thief and a crook. It turns out that he is also scum. We did not want to believe it; on the contrary, the authorities allowed him to dance a "hopak" and scoff at the patriotic feelings of the Ukrainians. And where is Aleksandr Zakharovich now? Why is he not rushing to court to protect his "honor?"

There are many cases like this. And the longer the authorities engage in protection of such people the more resolutely I will rip off their masks and the more painful will be their fall from the heights of the power Olympus. Theirs and that of their protectors.

[Platitsyn] Aleksandr Ivanovich, is it true that you just like to shake things up, after all you have a wall in front of you? Or do you intend to rock the boat to the end? All you would have to do would be turn all the cases over to the authorities and you could have a good life.

[Lebed] "A wall, but a rotten one"—Lenin said. That is the first thing. Second, everything you are hinting at has already been suggested to me many times. A Volvo, and money, and a bank account, and other nice things. In

payment for my silence. But I could not do that. Because that would be tantamount to putting an end to my biography with my own hand. I want to continue to stand up for the righteous cause of the people. And this does not produce any dividends, but morally you feel wonderful. Unlike certain others...I do not want to drown my conscience in endless drunkenness. And I still cannot "turn over" the cases. Not yet, they would simply burn them and pretend to be the "fire hoses." I already have experience....

[Platitsyn] All right, one might say that A. Bolshakov has already been crucified. Who is next?

[Lebed] Whoever shouts the loudest: "Stop, thief!"—and is thrilled by the feeling of having others' millions in his pocket.

[Platitsyn] Aleksandr Ivanovich, tell me honestly, why did you agree this summer to run as a candidate in the pre-elections for Parliament? One gets the impression that by this action you wanted to test your popularity among the people and be convinced that the people believe in you as they did before and will render you all kinds of assistance in the event that there are radical changes in the republic. And now we have the elections. In spite of the fact that Professor Yakovlev grabbed on to your "shirttails" and threw himself at your feet to keep you out of his private domain, you won a convincing victory. A month later, having run through your scenario, you slammed the door and resigned as deputy. The voters were in shock, and now the Parliament has a hold of "shirttails" and does not want to let go. What next?

[Lebed] Nothing. The decree on "nonacceptance of Lebed's resignation" is a game being played with the public. Many people in the Parliament made the sign of the cross and breathed a sigh of relief as soon as the door slammed behind me. It was easier for them without somebody disturbing their somnolent complacency. You can say as much as you want to about the subject of "the influence of moonlight on the swinging of a pine cone" or make predictions about when the Moldovan lei will go bad. And you can do this today when thousands of workers of the best enterprise in the city—I have in mind Odessa—are going on Christmas holidays for a month because of a lack of raw material. And the Parliament can find nothing more important to do than discuss the concept of the republic's socioeconomic development. They promise to prepare such a concept by the end of February. And so one wants to shout: Dear friends, and by the end of February everybody in this republic will die waiting this concept. Let us think and guess what they will feed the people tomorrow. And then for now we will somehow scrape by without the concept....

The people are your witnesses, I did not participate in the election campaign and I did not nominate myself. I did get in the way of either A. Safonov or A. Radchenko. True, Mayor Radchenko was bursting to ask me "personally" a certain five questions, but after he became a

monopolist of the "Dnieper Mouthpiece" I lost any desire to meet with this person. I could ask him only one question, but I am afraid he would not be able to answer it. He does not have the intellect.

Why did I "slam" the door? I do not want to be a part of this power, it will inevitably come to an ignominious end. I am a patient person and I will wait until all of them, receding, have their back to the wall, and in front of them are the facts. Then I and others will have an opportunity to admire their kind faces with the appearance of a set of pensive dumbbells....

[Platitsyn] One painful question, Aleksandr Ivanovich. It is known that in December everyone who has anything to do with the Russian army will receive their maintenance pay in new Russian rubles. And we are speaking about billions. Will it not turn out that against the background of the general poverty your officers will get fat and make those around them envious of their well-being?

[Lebed] I did not create this problem. Immediately after the Moscow events, as early as the beginning of October, I suggested a way out of the delicate situation in which the Dniester region had found itself by the will of "citizens of the world" Shevtsov and Matveyev. In an interview in the newspaper IZVESTIYA President I. Smirnov, like a drunk rabbit, flaunted it: "We are living without Russia, not as well, but we are living...." How much worse we are living will be shown in the next few days.

In the 14th Army there are many contractors from Russia; they have come to serve, and for this they receive not "Kerenskiy" money but normal money. And recently there has been increased dissatisfaction among officers and noncommissioned officers who actually receive several times less than their counterparts in Russia. What kind of order do you give in such a situation?

They can use Russian money in the commissaries and, incidentally, at Russian prices. The merchants will probably surround the military compounds with commercial stores, healthy market competition will appear, some things will find their way to the bazaars, and the merchants will have gasoline, cognac, and other niceties of life. Many will enter on the path of usury, but that is a matter of their conscience. No prohibitions will help here. All able-bodied people of Ukraine are living out of suitcases today: They take pork fat—to Moscow and the border oblasts of Russia, they get rubles—in exchange for coupons, more pork fat—more rubles.

It makes me bitter to think that many people of the Dniester region will suffer in this situation, but I am powerless to help everyone.

Since 25 July, when Russia exchanged the old rubles, there has been plenty of time to think and we should not waste time on empty debates about Yakovlev's theories. In my view they should have postponed all those festive

trips to America and Austria and they should have been working on this day and night and not on the development of a concept or a text for the hymn of the PMR, which by the time it is approved could turn out to be a funeral dirge for the republic.

[Platitsyn] You speak about an outbreak of usurious activity. But as far as I know the authorities are prepared to take resolute measures against private black marketeers.

[Lebed] Who believes that? For years they have been unable to drive out the gypsies on one small section who established a monopoly on trade in alcohol and tobacco in the city. And you talk about resolute measures. Maybe Zagryadskiy or someone will fight against the black marketeers during times when they are sober? This is a kind of snow job without any snow...

[Platitsyn] You have gloomy predictions. Will they come true?

[Lebed] Definitely. Everything in life develops according to the clearcut laws. We all have the same god. He has mercy on the intelligent and just, and he punishes fools and sinners. Moldova has introduced the leu. For better or worse you can get 30 cents for it. People are gloating over this here, they are figuring out when the end will come for the lei, and in terms of inflation it is compared with its Romanian brother. Behind the primitive political shooting matches they completely forget about the hundreds of thousands of people who have relatives on the Right Bank who go to Kishinev on business, and there are plenty of occasions. For now it is not that the people have nothing with which to pay a police fine, they do not even have anything with which to buy a piece of bread. So a leu that goes through a private party and commercial structures without Zagryadskiy's knowledge will sooner or later end up in the Dniester region and crowd out the "monopoly money." Instead of thinking about solving the problem we are allowing Kondratovich to arrange public investigations: Which politicians are "fools with unwashed necks" and which have clean necks. It is nothing but a big mess....

[Platitsyn] But still the authorities could find a way out of the situation. Not all of the plans are presented for widespread discussion by the masses.

[Lebed] They will, by firing into the next ambulance or microbus filled with workers....

[Platitsyn] Oh, ho, Aleksandr Ivanovich, you are not saying that these barbaric attacks are the work of Shevtsov? That these were deliberate bloody provocations to stir up hatred for the enemy?

[Lebed] For now I do not want to say that. I know only that on the days when they were carried out soldiers from both sides had abandoned their positions and were fraternizing and exchanging triple kisses for Easter. And the politicians did not like this. It is not important to me which bank the organizers of these monstrous crimes were sitting on. Both of them, greedy for high power and

unable to find other ways of satisfying their political ambitions besides rivers of blood of their faithful servants, I would tie together with one rope and drop into the Dniester. I am sure that not very many flowers would be thrown after them....

[Platitsyn] But are you not afraid of evoking the anger of G. Andreyeva? In June she stated: "Let them make just one move and we will again take up our weapons and fight against Lebed."

[Lebed] Let us not get sidetracked by the schizophrenic outbursts of that woman whom nobody can put in her place. This shows once again the face of the power such advisers wield.

[Platitsyn] Incidentally, on 27 November, in an article entitled "Has No One Been Forgotten?" published in DNESTROVOSKAYA PRAVDA, N. Vorobyev, who through his reporting is constantly spreading a pathological hatred for you and the 14th Army, reported how Lebed's "soldiers" in bulletproof vests degraded the dignity of valiant fighters from Kostenko's battalion, demanding that they give up one at a time and come out of the school without their weapons....

[Lebed] I have already said that it was stupid to sign off on the measure. In order to dot all the i's, let us return to the document. I have before me order No. 53 of 12 July 1992. I quote verbatim: "Recently there have been more frequent cases of arbitrary abandonment of combat positions (desertion) by individual military servicemen and even entire units. Thus on the night of 22 June Lieutenant Colonel Kostenko unilaterally led his subdivisions away from their positions into the city of Bendery and made other units to do the same thing, which was a treasonous violation of the order on retaining the units at the line they had reached. There had also been similar treasonous actions previously. At the present time units of the Second Motorized Infantry Battalion RG [expansion not given] under the leadership of Lieutenant Colonel Kostenko did not carry out the order to liberate the city and are engaged in looting and even murdering peaceful residents." With this same order the battalion commander replaced Kostenko with Lieutenant Colonel A.G. Askerov. Who signed this order? The chief of the administration of defense of the PMR and the current inspector general of the Dniester troops, General S. Kitsak. The order was signed and I was instructed to remove Kostenko. These are the kinds of valiant "protectors" whom Madame Vorobyev is now trying to make look good. And I could give a couple more examples of "valor and heroism" so that people will know how everything really was. And where did the dozens missing in action go? Time will also provide an answer to this....

[Platitsyn] From my discussion with you I get the impression that the PMR today...

[Lebed] ...The rule of arbitrariness and lawlessness. I know for certain that this republic, created against a

background of the noble idea of fighting nationalism, has gradually been transformed into an instrument for uncontrolled rule of people and mockery of moral sense in the name of satisfying the greedy whims of a pathetic band. The authorities are answerable to absolutely no one in this drive, which is protected by Russian peacekeepers on the one side and Ukrainian border guards on the other. Alas we have not yet learned to answer to our own conscience....

[Platitsyn] Aleksandr Ivanovich, everything is in somber tones, there is no light. Where can poor Ivan go?

[Lebed] Anna Zakhrovna Volkova has uttered some remarkable words: "Think, people!" I can only add: "Think and act, people! Act before they have bridled you completely and turned you into speechless cattle! Respect your own humanity! Get rid of the crooks who are capitalizing like parasites on the results of your labor! Act, people! Act before it is too late."

And there is no need to suggest how our people should act. Our people are not stupid.

Leader Charts Gagauz People's Party Issues

944K0565A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 21 Dec 93 p 2

[Interview with Konstantin Taushanzhi, head of the Gagauz People's Party, recorded by P. Lyutyy; place and date not given: "By the Thorny Path of Choice"]

[Text] The Gagauz People's Party, which is headed by Konstantin Taushanzhi, the well-known economist and politician and head of a department of Komrat State University, has unequivocally advocated elections to the Moldovan Parliament on the territory of areas of compact residence of the Gagauz. The Gagauz People's Party (GNP) is guided only by parliamentary methods, prohibiting confrontation, the use of force, and so forth.

This is what Konstantin Taushanzhi says on this subject:

[Taushanzhi] First, we are convinced that participation in the elections expresses the interests of an absolute majority of the Gagauz population and that there is no alternative to peaceful dialogue and negotiations. The power method, the method of confrontation, has not produced and will not produce results. We have already experienced this, when armed persons prohibited the inhabitants of our districts from taking part in the elections for president of the Republic of Moldova. We proceed from the fact that participation in the elections is the constitutional duty of each citizen, it is his right and obligation, if you wish; and if there is even only one single person wishing to cast his vote for a future deputy, all the conditions for the realization of his right must be created. Disregard for this right, pressure, bans, and threats are just further disgraceful stunts of the compromised leadership of the Gagauz Republic. They are the embodiment of the ignorance of the self-proclaimed leaders of Gagauzia, who want to decide for the people.

[Lyutyy] What is the explanation for the policy of the present Komrat leaders?

[Taushanzhi] Their fear of the people. After all, their behavior, all their actions, their spending, and so forth have to be answered for. The people have been waiting for this account for three years now. Since 1990, when the workers of the villages and towns made their modest contribution (money) to the cause of national revival, for the support of the Provisional Committee, and then for the opening of the university. We made these facts known at that time and thanked via the newspaper all those who made these donations. And now what? The group of "leaders" has surrounded itself with armed persons and is pursuing a policy that is bringing the Gagauz people burdens and deprivations. The present leaders are rejecting all projects; no proposals for a peaceful settlement of the matter are to their liking. I am sure that were they given autonomy, even a republic within a confederative Moldova, they would reject this also. Because it would, all the same, be necessary to render account and be responsible. And they have nothing to tell people; they have brought them to poverty by their obduracy and unwillingness to conduct a civilized and honest dialogue.

[Lyutyy] Konstantin Petrovich, how did the Gagauz Party emerge?

[Taushanzhi] It was forced into being by the policy of a small group of people called leaders who could by turns, without shame or conscience, trample on anyone who thinks or, even more, acts differently. The party's goals are a peaceful solution of the Gagauz issue, the increased social protection of society, and the realization of economic reforms, and we are opposed to criminal privatization.

These are the people's hopes.

As far as our opponents are concerned, I would advise them to pay heed to the people. But they have become confused. They have forgotten that the republic should serve the people, not the other way about. It would now seem that people have been rounded up by force as hostages; and I am overwhelmed by a sense of grievance and exasperation that we can find ourselves the victims in a political game, which is resumed on each occasion by a "third party," attempting to incite disagreements between the Gagauz and Moldovans. So I would like to say that the slogan: "Nobodies have become everything," is once again pertinent today; that a parallel can be drawn with 1946-1949, when arrogance and ignorance were dominant and when questions of the building of the kolkhozes, dispatch to Siberia, and so forth were decided only by weapons. Can it be that 50 years later we have taken this same route in Komrat?

It is hard to believe, but it is so. "President" Stepan Topal appeals to the people "to defend Gagauz's gains." What is he talking about? Can it not be seen that the living standard is falling and that crime is growing menacingly? The "upper stratum" has sunk to an impossible level. What is happening currently in Komrat is reminiscent of a sandbox game: We have created a

republic with the name of "Laughter and Tears," we have created a state, seemingly, in which turmoil and lawlessness reign (but there is a heap of ministers, on the other hand!). For this reason there is no Gagauz Republic either de facto or de jure. There is a handful of adventurers, and that's that.

[Lyutyy] What can you say about the party's immediate plans?

[Taushanzhi] Soon we will be choosing the parties to which to affiliate at the elections. We are oriented as yet toward the three parties that support the integrity and independence of Moldova, oppose unification with anyone at all, and support the Gagauz areas being given special status within the framework of international law. We regret that the Parliament of the Republic of Moldova has not lowered for us the 4 percent quota at the elections.

Further, we understand that the leaders from Komrat have a desire to preserve the conflict with Chisinau (in order that it might always be possible to exacerbate relations as they see fit), but the position of certain ministers of the Republic of Moldova, who in the guise of compromises are supporting the present Komrat leaders in every possible way, is absolutely incomprehensible.

Time will tell how correct our course proves, but even today the number of people supporting and sympathizing with us is getting larger and larger. And this implants confidence in the choice of a difficult, but correct and honest path for the achievement of the hopes and aspirations of the Gagauz people.

Administrator on Resolving Gagauz Concerns
944K0565B Chisinau KISHINEVSKIYE NOVOSTI
in Russian No 53, 18 Dec 93 p 2

[Interview with S. Topal by S. Fedorova; place and date not given: "The 'Gagauz Budget' Could Be Called Regional"]

[Text] The election campaign in the republic has introduced disagreements to the South, previously united in its positions. The decision of the Chadyr-Lungskiy District Soviet to participate in the elections for a new Parliament of Moldova has evoked an angry response in the administration of the region. The local soviets were dissolved in connection with this document. The Supreme Soviet of the region, however, whose position coincides with the policy of its leadership, has been preserved.

Nonetheless, there has been movement in the dialogue between Komrat and Chisinau. It is the economy that is prompting this primarily. The Bujak steppe, whose main income was and remains agriculture, under the conditions of isolation has been condemned to quite a meager existence. It is the understanding of this that is the basis of the decision of the Chadyr-Lungskiy deputies.

Our interview with Stepan Topal, chief of the administration of the region, deals with the new situation in the southern districts and the progress of the dialogue with Chisinau.

[Fedorova] If it is no secret, the essence of your last meeting with Moldovan President M. Snegur. On whose initiative did it take place, incidentally?

[Topal] It dealt with a settlement of relations concerning the budget. A year ago we raised the question of the region's own budget and payments into the republic coffers. Unfortunately, the Ministry of Finance did not settle this problem. We then independently voted our own budget in the Parliament. Payments to Moldova's coffers have been made punctiliously. We understand that payments for health care and the defense of the state, since we are a part of it, and so forth are necessary. A year has passed, we have come to think differently; there has been some change in this respect in Chisinau also, and there is hope that we can come to some arrangement. This, therefore, was followed by the proposal that the two parties sit down and talk out the current problems. The response, though, was as follows: Your budget is illegal. But a fact is fact, and we have been in existence for three years now. If you do not like the wording "Gagauz budget," you can call it a regional budget. We want monies for our own needs to stay here in the region.

[Fedorova] Are you encountering what is being called a financial blockade of the southern areas?

[Topal] I would speak, rather, about an economic blockade. What is meant by this? Agreements between the Government of Moldova and our farms on the supply of agricultural products (grain, milk, meat, tobacco, sunflower seed, and so forth) were signed at the start of the year. In exchange the appropriate departments undertook to supply us with energy resources. We are fulfilling the government order, but we have received only 50-60 percent of the promised fuel. As a result 10,000 hectares have gone unplowed.

[Fedorova] Considering the situation in Chadyr-Lunga, can it be said that the opinion of the Gagauz in respect to the forthcoming parliamentary elections in Moldova is unequivocal?

[Topal] The leadership's decision is unequivocal. There is the decision of the Parliament on nonparticipation in the elections prior to the Moldovan leadership's settlement of the Gagauz issue. We held rallies in the villages of Chadyr-Lungskiy District, and they confirmed our decision.

[Fedorova] But the district soviet went on record with a different decision, nonetheless....

[Topal] Half the deputies of the district soviet are Bulgarians. Their position is different from ours. But we believe that they are wrong in deciding for the Gagauz in

this instance. This was the reason for the subsequent edict on the dissolution of the local soviets.

[Fedorova] In counting on continuing the dialogue with Chisinau, what will Komrat defend? Can it agree to a culturally autonomous formation and the relative economic independence of the region, toward which, generally, current realities are pushing it?

[Topal] We will talk about a federation for we need some political guarantees in the future. Life is no worse for European countries formed according to this principle.

[Fedorova] Nonetheless, some things are changing. The retransfer of the Bujak battalion to the command of the Moldovan Ministry of Internal Affairs points to this. Gagauz guardsmen will now, as far as we know, be called carabinieri....

[Topal] This decision was connected with the need to somehow legitimize the armed formations, and to socially protect the officers. The carabinieri will be formed from local inhabitants, and the candidates for brigade commander will be recommended by us and approved in the Ministry of Internal Affairs of Moldova. This formation will uphold public order.

[Fedorova] Who will finance it?

[Topal] The local budget.

[Fedorova] The local police operate according to the same principle: They are composed mainly of Gagauz, but come under the jurisdiction of the district department of the republic's Ministry of Internal Affairs.

[Topal] Yes, the principle of dual subordination will operate.

[Fedorova] You recently returned from Turkey, but were, I believe, heading for America....

[Topal] The purpose of the trip had, indeed, been the United States, to which I had been invited to an assembly of Turkic peoples. Chisinau would not draw up a visa for America so I went to Istanbul, hoping to get one there. But here I had to change my plans since it was explained to me that putting together the requisite papers takes quite some time. After several meetings with our students in Turkey and members of the Turkish Parliament and also with the Red Crescent mission, therefore, I came home.

[Fedorova] Does the Red Crescent mission mean possible humanitarian assistance?

[Topal] Yes. We received such in the spring. They promise further assistance.

[Fedorova] Are there any investments of Turkish entrepreneurs in the Bujak steppe? We were counting on this here a year ago even....

[Topal] Not as yet. Unless we count several private bakeries built in Komrat, Chadyr-Lunga, and Vulkaneshty. But there has been cultural assistance. Our students are being taught in Turkey, and their grants are being paid by the Turkish Government. We are being helped with literature and textbooks.

[Fedorova] Is this assistance being rendered on the basis of the intergovernmental Moldovan-Turkish agreements?

[Topal] Yes.

[Fedorova] At what level is Komrat in contact with Chisinau?

[Topal] Vice Premier Oliynik and the ministers of internal affairs and security have been here. Although there are no planned negotiations, there have been meetings with the top leadership. Very soon there will be a meeting with M. Snegur, I believe. We have proposed it.

Chairman Defends Liberal Convention Stance

944K0570A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 9 Dec 93 p 3

[Article by Nicolae Chirtoaca, chairman of the Liberal Convention of Moldova: "OBSERVATORUL Juggles the Facts"]

[Text] The protracted current crisis in the country, the decline in the population's standard of living, the contradictory nature of measures being taken by the executive power in the attempts to stabilize the economic situation, the sound-bite populism and declarativeness with which our political life is replete create the background of human fatigue and nostalgic moods against which the elections to the supreme legislative organ of the country will take place.

Under these conditions, the responsibility of political parties and movements of truly democratic, reformist orientation is high. By pulling together they can still restore the influence and role of common democratic movement, which have begun all the transformations that have occurred in the Republic of Moldova between 1987 and today, mobilize the creative potential of the society, and develop and implement concrete effective programs for stabilizing the situation and proceeding to a new qualitative level of social and economic development.

The complexity of tasks facing the democratic movement in the country at this important stage demands a constructive approach on the part of political parties and public movements united by common ideals and goals. For this we need, first and foremost, to get rid of narrow group interests, corporate ambitions, and the desire to establish oneself at the expense of discrediting and diminishing political opponents and the organizations they represent.

In this context, a graphic example of confrontational style in thinking and approach to political reality are

some articles about the LCM [Liberal Convention of Moldova] that appeared in the *OBSERVATORUL* newspaper. By juggling and distorting the facts, the authors of these materials, in particular V. Butnaru, try to portray me as a dissident, who has challenged all the president's men and jumped into the vortex of political struggle with the purpose of exposing and denouncing others. Fortunately, I have not had the fortune of earning a general's rank in the national army in order to afford myself the luxury of taking the stance of an exposé. Moreover, I consider such actions destructive and useless unless they are followed by concrete proposals on how to improve the situation and concrete efforts aimed at overcoming the shortcomings. The main reason for my voluntary resignation from the job of state adviser on military issues was the realization of the need to consolidate the forces of centrist, reformist orientation in Moldova, to unite the people who are concerned with the future of the country and see the way out of the crisis situation by working out an integrated and concrete concept on the basis of values of modern liberalism and creative rethinking of the experience of developed democratic countries. When others placed their trust in me by electing me the chairman of the Liberal Convention of Moldova, I made a decision to completely concentrate on political activities, seeing it as the most important of all on the difficult road to a new democratic state of the society.

I believe that the president of Moldova, Mr. Mircea Snegur, has taken upon himself the burden of one of the most difficult tasks of the transition period—to ensure a gradual reform of the economy, democratization of the society, prevention of extremes, and resolution of conflict situations from the position of common sense and taking into account the current realities. Being a guarantor of these transformations, a middleman in the competition of new political parties, the president of the country frequently becomes a target of criticism on the part of radical and extremist forces, of those groups that are against territorial integrity and independence of Moldova.

The Liberal Convention has proclaimed its support for those forces that aid in the implementation of real reforms while preserving stability in the society. Guided first and foremost by its program planks, the LCM will strive to implement concrete comprehensive plans developed on the basis of the liberal idea, and is ready to constructively cooperate with all political and public organizations that share these principles.

Commission's Decision on Conducting Elections in Gagauz, Dniester Regions

944K0570B Chisinau NEZAVISIMAYA MOLDOVA
in Russian 22 Dec 93 p 2

[Text of the decision of the Central Electoral Commission on the Election of the Parliament of Moldova: "On the Procedures for Implementing the Law on Elections to the Parliament of the Republic of Moldova and the

Parliament's Decree on the Procedures for the Enactment of the Law by Kamenskiy, Komratskiy, Grigoriopolskiy, Rybnitskiy, and Sloboziyskiy Rayon Executive Committees and the Mayoralties of the Cities of Bendery, Dubesar, Rybnitsa, and Tiraspol"]

[Text] In keeping with Article 2, Point L of the Parliament's decree on the procedures for enacting the Law on Elections to Parliament dated 19 November 1993 and the calendar of election campaign events approved by the Central Electoral Commission on 5 November 1993, rayon executive committees and city mayoralties were to submit for approval to the Central Electoral Commission the composition of a technical group before 8 November 1993, and before 10 November 1993, announcements by the mayoralties of respective population centers regarding electoral precincts, their boundaries, location, and telephone numbers, as well as proposals with respect to candidates for chairmen of precinct electoral commissions.

An absolute majority of top officials of rayon executive committees and city mayoralties have submitted these documents and information in a timely manner.

Executive committees of such rayons as Kamenskiy, Komratskiy, Grigoriopolskiy, Rybnitskiy, and Sloboziyskiy Rayon Executive Committees, as well as the mayoralties of the cities of Bendery, Dubesar, Rybnitsa, and Tiraspol ignore the provisions of the elections law and directives of the Central Electoral Commission, refusing to send the necessary information and organize the preparations for, and the conduct of, elections to Parliament.

The aforementioned rayon executive committees and city mayoralties block the preparation for and the conduct of elections in respective rayons, and prevent residents of these population centers from exercising freely their right to elect and to be elected.

Based on the above, the Central Electoral Commission resolved:

1. To demand the Government of the Republic of Moldova jointly with the executive committees of Kamenskiy, Komratskiy, Grigoriopolskiy, Rybnitskiy, and Sloboziyskiy Rayon Executive Committees, as well as mayoralties of the cities of Bendery, Dubesar, Rybnitsa, and Tiraspol, take appropriate measures for the preparation for and the conduct of elections in these population centers in accordance with the provisions of the Law on Elections of Parliament and Parliament's Decree on the Procedures for Enacting the Law on the Elections of the Parliament dated 19 October 1993.
2. To make it incumbent upon the chairmen of Kamenskiy, Komratskiy, Grigoriopolskiy, Rybnitskiy, and Sloboziyskiy Rayon Executive Committees, and the mayors of the cities of Bendery, Dubesar, Rybnitsa, and Tiraspol to submit for the Central Electoral

Commission's approval the composition of a technical group and announcements of the mayoralities of respective population centers regarding electoral precincts, their boundaries, location, and telephone numbers, as well as proposals with respect to candidates for chairmen of precinct electoral commissions, and decisions of communities and cities councils on the composition of precinct electoral commissions before 20 December 1993.

3. To inform the Republic of Moldova's procurator of noncompliance with the Law on Elections to Parliament on the part of aforementioned rayon executive committees and city mayoralities in order to take appropriate steps in accordance with the current legislation.

[Signed] Central Electoral Commission Chairman Nicolae Timofti

Central Electoral Commission Secretary Elena Botezatu
Chairman, 14 December 1993

Birshteyn on Politics, Reform, Current Seabeco Activities

944K0604A Chisinau KISHINEVSKIYE NOVOSTI
in Russian No 54, 25 Dec 93 p 2

[Interview with the President of the Seabeco Group Boris Birshteyn by unidentified INFOTAG agency correspondent; place and date not given: "Boris Birshteyn: 'There Is A Sensible Compromise Between the Three Branches of Power in Moldova'"]

[Text] President of the Seabeco Group Boris Birshteyn paid a brief business visit to Moldova a few days ago. An INFOTAG agency correspondent conducted a brief interview with him.

[INFOTAG] Mr. Birshteyn, how do you see the current situation in Moldova?

[Birshteyn] In my opinion, as compared to neighboring states the situation in the republic today is healthy. Healthy in the sense that all three branches of power have found a very sensible compromise. This leads me to the conclusion that Moldova is going the right way.

[INFOTAG] The opposition would disagree with you.

[Birshteyn] The existence of an opposition is a normal phenomenon inherent in any civilized state. Everybody has a right to his own opinion. Some political forces believe that Moldova should unite with Romania; others—with the CIS; and still others see it as an independent state.

[INFOTAG] Which one of the three options is more realistic?

[Birshteyn] What is realistic is that in the final analysis the people choose their own way. My opinion is this. Since Moldova has gained independence, it should be preserved. I know many examples of countries fighting

for their independence. But I cannot remember a single reverse example of a country looking for a way out of independence.

[INFOTAG] Why do you think this is happening?

[Birshteyn] I think that the roots of this phenomenon are in the current difficult economic situation. But if we look today at Moldova, which is in a deep economic crisis, and compare it with neighboring states, I am optimistic. For instance, the Ukrainian leadership today is facing a much heavier burden of problems than the Moldovan authorities.

[INFOTAG] This does not make it easier for the people.

[Birshteyn] The population must realize that it is impossible to build a new healthy economy without having lived through the current difficulties. Moldova has an absolutely realistic opportunity to become, shall we say, in about five years a pearl in the center of Europe.

The Seabeco Group has an interest in working in Moldova. As a human being, I like this land and the people living here. I think that the company has already demonstrated in practice that we did not come here to grab something—we came here to help.

[INFOTAG] What about business interests?

[Birshteyn] We are not hiding the fact that in time we count on making money here. I want to point out that I am not in the position of a businessman looking for quick profits. I am in no hurry because I understand that any serious business begins with investing money.

[INFOTAG] There is a lot of controversial information in Moldova regarding Birshteyn's "mission" in stopping the bloodshed in Bendery. What really happened?

[Birshteyn] My role was quite modest. I simply brought together all those people who were in a position to adopt a sensible decision.

[INFOTAG] Tell us your secret: What projects is the Seabeco Group working on in Moldova these days?

[Birshteyn] There are several projects in the works that we hope to implement in the republic. All involve agriculture...

[INFOTAG] And to be more specific...

[Birshteyn] These are projects involving complete-cycle production facilities that will make ready-to-use products instead of selling raw materials. It is profitable both for the state and the producer to sell the finished product. My opinion is that it would be wrong to shift production into nontraditional spheres.

Agriculture is a traditional business for Moldova. This is what we need to develop.

[INFOTAG] Your company has ceased working in Kyrgyzstan. Why?

[Birshteyn] I am flabbergasted over people's lack of integrity when I hear my name "trashed around" in the Kyrgyz parliament. This is all dirty intrigues and dirty politics...

[INFOTAG] What about the gold reserves? Is it true that they have been taken out of Kyrgyzstan?

[Birshteyn] We have not taken anything out of Kyrgyzstan. On the contrary, we have invested a lot of money and effort. Logic says that people should be grateful to us. Alas. History puts everything in its proper place, however. By such, if I may call them "actions," Kyrgyz politicians are making a reputation for themselves.

Instead of creating conditions to attract foreign investment, some current politicians in Bishkek are choosing the option of going around the world begging. This is not a solution.

[INFOTAG] By the way, speaking about conditions—how are they in Moldova, in your opinion?

[Birshteyn] Moldova is creating precisely these conditions. I do not want to say that there are no difficulties for foreign businessmen here. They do exist, and unfortunately quite a few. But it also is absolutely clear that in the end, when searching for a solution to any problem, no matter how complex, we will find mutual understanding.

[INFOTAG] From the point of view of a businessman, which economic sectors in Moldova deserve major financial infusion?

[Birshteyn] In my opinion, the potentially promising sectors in the republic would be agriculture, light industry, and tourism. Moldova is a very beautiful corner of the world; provided a certain infrastructure is in place, it could become attractive for many categories of tourists.

[INFOTAG] On 29 November the republic introduced its own national currency—the Moldovan leu. Since that time the foreign currency exchange has been registering a small but steady decline in the exchange rate of the U.S. dollar in relation to the leu. In your opinion, is this a real or an artificially created phenomenon?

[Birshteyn] Unfortunately, I am not familiar with the real situation in this area. But I want to say that introducing a national currency is a competent step, and most importantly, timely. A monetary unit is one of the attributes of statehood.

With respect to the decline of the U.S. dollar rate in relation to the leu, my guess is that the National Bank probably has a stabilization fund. I think that we should not get euphoric on the subject of the declining exchange rate of the American currency. Although of course it is necessary to strive for stability of the leu. Even though it will not be easy to maintain the rate.

[INFOTAG] In your opinion, should political forces in Moldova learn a lesson from the election results in Russia?

[Birshteyn] I think there is not much of a lesson for political parties in Moldova to be learned from the results of the elections to the State Duma of Russia. Why? The situation in Chisinau is completely different. I think there will be no surprises at the elections to the new parliament. I am certain that the winners in the elections will be logic and common sense.

Social Democratic Leader Rebuts Socialist Allegations
944K0568A Chisinau KISHINEVSKIYE NOVOSTI
in Russian No 52, 11 Dec 93 pp 1-2

[Article by Oazu Nantoi: "Let Us Not Urge Going Forward Looking Backward"]

[Text] The subject of the article "Who Is the Leftist of Them All?" (KISHINEVSKIYE NOVOSTI No. 51, 4 December of this year) [For a translation of this article, see pages 75-77 of the FBIS REPORT: CENTRAL EURASIA, FBIS-USR-002, dated 10 January 1994] was the difference between socialists and social-democrats in Moldova. First, we have to thank Mr. Morev for drawing this distinction, because at the other end of the polemic spectrum there are attempts to discredit us—social-democrats—precisely by putting us in the same boat with socialists.

Now on substance. Mr. Morev accuses us of being a party of national bourgeoisie. Yes, the social democrats as early as in the spring of 1991 submitted to the parliament an alternative draft of the Law on Privatization, and this is just as true as the fact that our draft contained a privatization mechanism (which later was included in the final law) that gives every citizen of Moldova a chance to own property.

It is this privatization mechanism in the social democrats' version, that is based on the idea of privatization through registered national wealth bonds (rather than through depersonalized vouchers as in Russia), and that, if we finally succeed in implementing this mechanism, will contribute to forming in the Republic of Moldova a rather numerous and stable stratum of property owners, who, as any schoolboy knows this days, are a guarantee of social stability, dynamic economy, and real social protection in the society.

It is not the social democrats' fault that the State Privatization Program was adopted by the parliament (in which the Conciliere—Accord club, currently headed by Mr. Morev, carried rather substantial weight: more than 30 deputies) almost two years after the adoption of the aforementioned law. And that esteemed deputies, including Mr. Morev and his club mates, should probably ask themselves: What kind of a government have we formed that still does not implement the laws we have passed?

Or another example of election-time populism: "We think," Mr. Morev tells us, "that on 27 February 1944 it is necessary to submit to a referendum the question of the political independence of the Republic of Moldova, and its joining the CIS and its economic union." But why did you, the people's representatives, not resolve all these issues when the parliament still continued to function, albeit as a formality.

The SDPM [Social Democratic Party of Moldova] never concealed its position regarding the need to hold a referendum on the issue of Moldovan statehood. Everybody who is familiar with our activities, knows this, as well as that from the moment the party was founded in May 1990, social democrats consistently supported state independence. We present this position absolutely clearly not only in Chisinau, but also in Moscow, Bucharest, Tiraspol, and Komrat. This position is "what you see is what you get"—when we proclaim ourselves supporters of state independence in Chisinau, we do not send our representatives—like the Socialist Party did—to the congress of the peoples of the USSR (Moscow, September 1993).

Also very endearing is Mr. Morev's concern regarding establishing "true people's power" on Moldovan soil. In short, Soviet power. But have not citizens of our country had the opportunity to see for themselves that what had been called Soviet power could exist only in the environment of one party's diktat, and as soon as this diktat disappears, Supreme Soviets inevitably drive themselves into a dead end, and take the entire society with them?

"Demo-cra-cy" is precisely "people's power." But democracy can only exist when there is a functioning law-based state: clear separation of powers, multiple parties, periodic free elections on a multiparty basis, and a referendum. And all of this only on the foundation of a constitution, which the current deputies also for some reason failed to adopt. But democracy is not a "citizens rally" under the title of "High National Assembly" and not 380 people's representatives who do not answer to anything and who are holding sessions under the banner "All Power to the Soviets."

Now regarding the Moldovan social democrats' position on the tragic events in Moscow at the beginning of this year's October, as mentioned by Mr. Morev. It is enough to read our official documents of that time to see that the SDPM was not ecstatic over the no-win situation in the Russian Federation, as well as over the turn of events when instead of the force of law Moscow chose the right of force. In our statement on the topic of the latter, we expressed our deep concern over confrontational processes in Russia and expressed hope that a way out of the conflict would be found on the basis of free expression of the people's will.

I would like to note, however, that while we strive to move toward modern European social democratic values, the SDPM is certainly not a "foreign-oriented" political force. After all, the real orientation of a party

shows, let me put it this way, in the domestic market. And here I have to remind our political opponents that when blood was being spilled in Moldova on the left bank of Dniester, many now "bold" political parties for some reason remained mum... And so did some individual people's deputies, who now are very "brave."

The only party that issued a stern warning that the resolution of the Dniester crisis by military means, reliance on violent methods, will bring Moldova to a catastrophe to the state structures and the public in the spring of 1992 were social democrats. Unfortunately, our lone voice was not heard.

In conclusion I would like to point out that there are people now who are trying to resurrect a split in the society that existed in 1989-1990. At the time the opposing forces "marked" people by their ethnic attribute. Now the people are quite tired of hysteria and are more inclined to think about the daily bread. However, the temptation to divide everybody into "us" and "them" turned out quite resilient, so now the readers are reminded that Nantoi used to belong to the "front" (not as a cochairman, though—just a deputy chairman)!

The Popular Front, just like the Communist Party, initially brought under its umbrella people with very different political views. I have never been a Communist Party member, but I remember very well that some leaders of the National Front of Moldova [NFM] had been, and so did Mr. Morev.

It took some time for the logic of political events to sort out all this confusion and call things their proper names. At least I do not intend to deny the facts of my biography: I broke up with the NFM in the beginning of 1990 precisely because I stuck to my beliefs and did not try to use my position in the Front to secure some prestigious job.

By the way, a few words about the attitude toward "frontism." Social democrats have advocated early elections and forming a professional parliament on a multiparty basis since last year. The greatest rebuke of this idea came from NFM deputies, as well as other parties of "democratic orientation." And, strange as it may be, most deputies who belong to the Conciliere—Accord club, not being "frontists," for all practical purposes ended up in the same boat with the NFM. (And Deputy V. Krylov, who carelessly voiced his support for an early disbanding of parliament, which had discredited itself in the eyes of citizens, was replaced as the club leader by "nonfrontist" V. Morev).

Therefore, as Kozma Prutkov used to say, let us "look into the root of things" and not count KISHINEVSKIYE NOVOSTI readers as people without memory and without ability to analyze facts. As to taking politicians' words at face value, this is not recommended in any country.

Social Democrats Issue Statement on Privatization
944K0571A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 11 Dec 93 p 1

[Statement of the Social Democratic Party of Moldova National Coordinating Council: "Danger of the Undermining of the National Privatization Process"]

[Text] Since the moment it was formed the SDPM [Social Democratic Party of Moldova] has been guided by the principle according to which the endowment of the citizens of Moldova with private property has been the main guarantor of the irreversibility of the democratization of society, and the very mechanism of privatization shapes its social structure.

Proceeding from this, the SDPM proposed in the spring of 1991 the alternative draft law "Privatization" providing for its realization for registered public property vouchers with the participation of all citizens of Moldova. The law adopted by parliament in June of the same year contains all the basic provisions of the bill proposed by the social democrats. It was possible, therefore, to avoid the danger of the mafia-type privatization of public property for money.

As the process of privatization approached the practical implementation stage, resistance on the part of both the opponents of economic reform and those who are attempting to hand over the people's property to a small group of "moneybags" has grown increasingly openly.

A method of the direct robbery of broad strata of the citizens of Moldova via deprivation of their right to real participation in privatization is the displacement of vouchers from this process.

Back at the start of 1992 the V. Muravichi government, with the support of certain parliamentary circles, blocked the adoption of the State Privatization Program for a whole 14 months. Subsequently, in the process of its adoption in parliament in 1993, the opponents of public privatization sought revisions to it palpably limiting the possibilities of privatization for vouchers. While paying lip service to the concept of public privatization, the A. Sangheli government in practice blocked its practical implementation.

Thus the allocation of funds for the preparation of public property vouchers and their processing and issue to the citizens has been impeded in every possible way. The list of facilities of incomplete construction authorized by legislation for privatization for cash has not been extended. The issue of vouchers to retirees has been blocked thus far. In a whole number of localities the authorities are putting obstacles in the way of properties subject to privatization being put up for auction. The so-called State Property Fund—one further bureaucratic structure designed to torpedo in practice privatization for vouchers—was created beneath the signboard of protection of the property interests of the Republic of Moldova.

Finally, the opponents of public privatization have openly gone against their own people, seeking with the assistance of the Ministry of Economics and the above-mentioned Fund the adoption on 29 November 1993 by the Committee for Monetary Reform of a decision on the unrestricted use in the privatization process of the Moldavian lei and convertible currency together with public property vouchers, without limitation of the spheres of their circulation.

The SDPM has already observed that because of the continuing decline in production and the absence of the requisite commodity backing the Moldavian lei faces the threat of rapid depreciation. The organizers of such monetary reform, endeavoring to conceal the deplorable results of the policy they are pursuing, have taken an unprecedented step—a cardinal change in the essence of privatization in Moldova and the emasculation of its social focus.

In making possible the displacement of the voucher by money the present government is condemning it to devaluation and creating obviously unequal opportunities for the participation in the privatization process of millions of citizens. Public property is in fact being handed over to several corrupt clans.

As a result of the above-mentioned step Moldova's production potential will in a short space of time have been grabbed by criminal capital, and the citizens will have been deprived forever of the right to own property created by their labor. The buying up for a pittance of the public property vouchers and their exchange for large blocks of shares will impede for a long term the creation of a securities market—a practical measure under Moldova's conditions en route to the strengthening of the national currency.

In the version that is being imposed on us privatization will be undertaken by a narrow stratum of "moneybags," and the process of Moldova's economic recovery will drag on for decades, demanding increasingly new foreign loans, for which our children and grandchildren will have to pay.

The SDPM declares that under the conditions of the total lack of control on the part of the paralyzed legislative body the government is directly violating current legislation. The mere fact of the use of wording of the "with subsequent confirmation by the Parliament of the Republic of Moldova" type testifies that the present government has gambled on avowedly antireform political forces coming to power on 27 February 1994.

The SDPM appeals to the president of the Republic of Moldova for the reversal of the antipopular decisions depriving all of us of the right to property.

The SDPM calls on the unions of the Republic of Moldova to come to the defense of their members' real interests.

[Dated] 2 December 1993, Chisinau

Cofounder Explains Goals of Economic Rebirth Party

944K0571B Chisinau NEZAVISIMAYA MOLDOVA
in Russian 11 Dec 93 p 2

[Interview with Aleksandr Kisherin by Viktor Starik; place and date not given: "The Main Policy Is the Economy"]

[Text] Our paper has already informed readers that a new social and political organization—the Economic Revival of Moldova Party—has been formed in the city of Belts. A sponsor of the formation of the new party is the well-known entrepreneur A. Kisherin, head of the Kisherin & Co. concern. Our own correspondent in Belts met with Mr. Kisherin and asked him to answer a number of questions.

[Starik] Aleksandr Alekseyevich, as far as I know, you were never a member of any party or involved in politics previously. Why did you, a prosperous, respected person, doing what you like best, want to get into....

[Kisherin] Do not go on, I know what you are going to say—politics is a dirty business. And I agree, but only when ambitious people who are backed by nothing other than a set of populist phrases and slogans take up politics. They, truly, make all kinds of promises and quite unconcernedly go about their business, enjoying the blandishments of power. I ask forgiveness for the excessively strong language, some people will not like it, naturally, but speaking openly, plainly is in my nature. This is my problem and my good fortune. I have had unpleasant situations and have made enemies, but even more have I found friends, who like my candor. They trust me and believe me. This was a factor that brought me to the party.

I never was, truly, a member of any party. I was involved in the economy and I understand some things here and I can see that it is currently on the brink of ruin. Struggling alone makes no sense. We have assembled a team of fellow thinkers who evaluate events identically and who know how to find a way out of the impasse situation.

[Starik] You see light at the end of the tunnel, then?

[Kisherin] Yes, together we have formulated a program for the extrication of the republic's economy from the impasse. We are publishing this program and will not, therefore, touch on it now. Specially since we will not be revealing any special truths: We will simply struggle to ensure that the manufacturer and entrepreneur may work efficiently and productively, manufacture output, pay people, and well, for their work, and sell the commodities where there is demand for them.

[Starik] This is in the sphere of the economy. What does your party offer in the social and political plane?

[Kisherin] It seems to me that our society simply cannot rid itself of the complexes of the socialist system, when everyone, be he of Solomonic wisdom or an outright

slacker, must be supported. At the expense of the state. It is time to understand that the main policy in all spheres should be the economy. It should put man at the forefront. If we resolve economic problems, political problems, the social problems will disappear of their own accord.

You took a stab at me here, saying I am a prosperous individual. Yes, I can allow myself to take my family to Miami, Switzerland, wherever I like. No problems. But why should others have them—young families, students, old people who have spent all their lives working for this system, and large families that cannot now make ends meet, and the state has forgotten about them. It was for the sake of social justice that we created the Economic Revival Party, and it will struggle for a better life for all strata of society and influence government policy in this respect. And seek a preponderance in favor of the working man.

Look what is happening, after all: Production is grinding to a halt, and people capable of working well are finding themselves on the street, not to mention old people, the infirm, and children. And why? Because some people wanted to play at politics for politics' sake. Having totally forgotten about economics. But it does not allow itself to be dependent on political ambitions. It is supported on its own laws, which no demonstration or edict can abolish. We believe, therefore, that the time has come for people who have proven by action that they know how to manage to come to power. If only in the example of their own enterprise, plant, or factory. Those who are called the bread and salt of the economy.

Our Information: The Kisherin & Co. concern is an enterprise of a broad agro-industrial profile. It is known as one of the republic's highly profitable enterprises with a well-funded social infrastructure. Average wages in the concern constitute R150,000 (this material prepared before the money exchange). More than 500 new jobs have been created in the past two years. Aside from its main profile—the cultivation of agricultural products—the concern has a network of commercial stores selling consumer goods. The production of packing crates, which have helped the farms of the republic considerably in saving and selling what they have grown, has been organized here as of spring of this year.

[Starik] So in creating the party you set your sights on acquiring power?

[Kisherin] I emphasize once again that there should be at the helm of the state competent and decisive people who know precisely what needs to be done. And the interests of whose party they represent are secondary. Just as long as the people believe and support them.

[Starik] It is being said that the Economic Revival of Moldova Party is a millionaires' party.

[Kisherin] Ah, this habit of pinning on labels! People are still afraid of becoming bourgeois and appearing, according to stereotypes, like bad little boys. What is

wrong, pray, in a person getting on thanks to his intellect, ability, know-how, and enterprise. Not by thievery, but by his personal attributes. Why is being a millionaire in our Sovman consciousness considered a vice, and in America people are proud of this and aspire to wealth? What, don't they understand anything, those people across the ocean? But we have digressed.

There are in our party many industrialists, entrepreneurs, bankers, leaders of state-owned enterprises and private firms, specialists, and many ordinary workers and peasants. And they came to us voluntarily in order to establish together a normal life and in order that each of us, be he a member of the Economic Revival Party or not, may hope to become a millionaire.

[Starik] Are you yourself, Mr. Kisherin, a millionaire?

[Kisherin] It is somewhat difficult becoming a millionaire with our permanent economic disorders and almost regular monetary reforms. But I am able to provide my family with a decent living and have a foreign car in the garage and money to enable me to feel in charge of the situation in any country. Everything earned by the concern is constantly being put to work and is making profits. For me and my subordinates. Such is the law of the market economy.

Decent wages should be received not just by the workers of the Kisherin concern, but also by the other inhabitants of our republic. And this is possible on one condition: the unrestricted development of enterprise. People are reluctant to understand this as yet, unfortunately. There is much work to be done by our party, using facts and figures, for this simple truth to triumph. Democratically, without any social upheavals.

[Starik] Aleksandr Alekseyevich, your concern is known also for its extensive charitable activity. The church in Drokiyevskiy Rayon's village of Kotovo was restored with its money, and you support Belts television, the Yunost movie theater, artistic groups of the city and the republic, athletes.... Will not your assistance grow scarce in connection with the formation of the party? After all, it could be that some of the resources will be needed for the party coffers.

[Kisherin] A party, if it is based on certain economic principles, should support itself. Plus the dues and personal contributions of its members and organizations, but only for the accomplishment of program tasks. We have no intention of maintaining a bureaucratic machinery like the former rayon and city party committees. Everyone, not apparatchiks, should work with the masses.

As far as the charity is concerned, we will continue this program. Within the framework of the Kisherin & Co. concern and also within the framework of party activity.

Government Spokesman on Efforts in International Environmental Cooperation

94WN0128A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 4 Dec 93 p 3

[Article by Valeriy Bricag, chief specialist of the State Department for Environmental Protection and Natural Resources: "The Ecology. Who Is Supporting Us in International Cooperation for Protection of Nature"]

[Text] One of the priority areas of the foreign policy of the Republic of Moldova is international cooperation in the area of environmental protection. Moldova is joining in the activity of international environmental protection organizations and is participating in the implementation of the corresponding conventions and agreements. To do this, an Administration of International and Social Relations has been created under the State Department for Environmental Protection and Natural Resources, and under the National Institute of Ecology—a Bureau of International Programs and Projects. The solutions to problems of international cooperation of the Republic of Moldova in the area of environmental protection is discussed by a chief specialist of the State Department for Environmental Protection and Natural Resources, Valeriy Bricag.

The concrete results of the state department's international activity were the ratification by the parliament of the Republic of Moldova of the Biodiversity Convention and the endorsement of such important documents as the World Charter on Nature, the Convention on Cross-border Impact of Industrial Accidents, and the Convention on Protecting the Animal Kingdom and the Natural Environment in Europe. Moreover, in July 1993 the parliament adopted a decree on the creation of a National Autonomous Center of the Republic of Moldova in the International System of Information on the Environment (INFOTERRA), which gave us access to the World Environmental Data Bank.

It should be noted that in international cooperation in the area of environmental protection, preference should be given to concluding bilateral and regional agreements at the state level. The endorsement of international conventions should take into account, on the one hand, the republic's financial and technical capabilities and, on the other, the interests of the state and the world community. Both state and nonstate organizations can enter international environmental protection organizations. Cooperation with international funds, organizations, scientific centers, and financial structures should include primarily the development and implementation of national ecological projects.

As early as 1990, the State Department for Environmental Protection and Natural Resources came out with an initiative to conclude agreements at the level of environmental protection organs of the Union republics. This activity has been continued—draft agreements have been sent to all the independent states of the former USSR. But not all of them have shown a readiness to

cooperate at this level. Only the first protocol has been signed between the State Department for Environmental Protection and Natural Resources of the Republic of Moldova and the Ministry of Environmental Protection of Ukraine.

The Interstate Ecological Council (MES), which anticipates cooperation among the CIS countries, was formed in February 1992. But the Republic of Moldova did not sign the document to enter the MES. Moldova has not been represented at a single session of the MES. But a department worker participated in the work of the group of experts for preparing for the first session of the MES, and another one participated as an observer in the work of the first meeting of the Coordination Group under the MES for cooperation with UNEP [United Nations Environment Program] and other international organizations. This group was formed by a decision of the third MES session, which took place in Tashkent in May 1993, and its goal is to coordinate the activity of the MES member countries for creating specialized organs for cooperation with the UNEP and other international organizations, and also for developing and implementing joint ecological projects under the aegis of the UNEP.

In the former USSR, the role of a specialized organ for cooperation with international environmental protection organizations, including UNEP and the World Bank, was assigned to the Center for International Projects (TsMP) under the Union State Committee for the Protection of Nature. The CIS countries decided to take advantage of the experience of the TsMP and, on its basis, to create a consultative-executive organ of the coordinating group under the MES.

Thus, the CIS countries developed their own mechanism for interstate and international cooperation, but it is too early to judge its effectiveness. In October of this year, an official appeal was addressed to the chairman of the parliament of the Republic of Moldova from the secretariat of the MES, considering the entry of the Republic of Moldova into this organization. I think we should get rid of our excessive suspicion regarding all structures created within the framework of the former USSR.

Representatives of Russia are working in many international organizations. The Russian lobby is very influential there. This could have decisive significance for us—the success of our cause will depend on the position of one or another representative of an international organization. Joint entry and coordination of activity will help incline international organizations to support our country. The TsMP is making a commitment to render assistance in international support for Moldovan ecological projects and is also prepared to help in the organization of a similar center in our republic.

We are losing a great deal as a result of delay in solving these problems, and we are being left out of the picture. Thus, the British company Alexander Jib and Company has monopolized the right to develop and implement the

project for protecting the basin of the River Prut, which will enable it to dispose of funds allotted by the World Bank.

Our relations with Romania are being arranged on the basis of the Protocol on Cooperation between the State Department for Environmental Protection of the Republic of Moldova and the Ministry of the Environment of Romania. In keeping with this, a Romanian-Moldovan commission was formed for working together in the Prut basin. But there has been no marked success in this area. Cooperation is limited mainly to unilateral aid from Romania. Financial and technical aid has been rendered to the Moldsilva Association and the National Institute of Ecology—for forestry and radiological research on the territory of Moldova.

Following the lines of cooperation within the framework of international conventions, we will have to solve difficult financial problems. Thus, Moldova has not joined the Geneva Conference on Crossborder Air Pollution over Large Areas. The reason is the lack of hard currency to subsidize measures within the framework of the Convention. As for the Vienna Convention on Protection of the Ozone Layer, not joining it has entailed serious consequences for our economy. Starting in 1994, international sanctions and bans will be introduced on exports and imports of freon-emitting items. The corresponding sanctions will be applied to countries that have not joined the Washington Convention on International Trade in Species of Wild Flora and Fauna That Are Threatened With Extinction.

In this connection, it must be noted that countries of the former USSR have the opportunity to join these conventions by a simple confirmation, announcing this to the corresponding depository with an official government note. The same thing pertains to international organizations of the UN system. And if we are still not cooperating with such well-known organizations as the UN Environment Program (UNEP), the United Nations Industrial Development Organization (UNIDO), the UN Center for Human Population (HABITAT), the World Meteorological Organization (WMO), and others, this is because of our inefficiency and sometimes simply because of our ignorance of the procedures for addressing, joining, and entering them.

A center for international programs and projects would help to eliminate this information gap and establish permanent contacts with dozens of international funds, organizations, and centers that would be extremely useful to our country. For example, the Regional Center for Environmental Protection in Central and Eastern Europe (REK) in 1994 allotted \$600,000 in financial aid to nongovernmental organizations engaged in the development and implementation of environmental protection projects. And through the DZhYeF [expansion not given] Fund of the World Bank, \$208 million is being allotted just for projects within the framework of the Convention on Biodiversity. In order to participate in these projects, we must either make a request for

financing our projects or submit an application to enter the REK, MSOI, and so on. But here, as they say, we have fallen slightly behind.

For the sake of clarity, I will give some other facts. Just during the past two years, Ukraine has been able to organize the participation of its specialists in seminars financed by the governments of the United States and Poland, and the World Bank, for training specialists in the area of ecological projects and programs. The United States, additionally, finances the Center for Ecological Education and Information formed in Kiev. Canada has allotted to the Ukraine \$3 million for a program for saving the Dnieper River. The Know-How Fund from England renders the Department for the Introduction of International Projects consulting aid in the implementation of 13 projects for ecological restoration of Ukraine. The World Bank has already allotted to the country about \$1 million for carrying out projects in the Carpathian preserves and the Danube Delta, and the European Community is financing the development and introduction of a system of monitoring, legislative acts, and standards.

Summing up what has been said, I must note that the State Department for Environmental Protection and Natural Resources of the Republic of Moldova has adopted a number of measures to work in the main areas in which our country should cooperate in the area of environmental protection. Specialists of the state department are participating in the implementation of a program for protecting the Danube River and a program for ecological restoration of the Black Sea basin. Materials are being prepared for entry into the International Union for Protection of Nature and Natural Resources and the Regional Center for Environmental Protection in Central and Eastern Europe. Negotiations are being conducted with representatives of international organizations to hold the international fair Eco-94 at the beginning of next year, and with representatives of the international convention for one called the "Role of Information in Overcoming the Ecological Crisis in Countries of the Former Socialist Camp During the Period of Transition to a Market Economy." Lists of international conventions and agreements that are of primary significance to Moldova are being systematized and prepared to be submitted to parliament.

Chief Outlines National Railroad Difficulties

944K0572A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 22 Dec 93 p 2

[Article by V. Borodayev: "The Railroad and the National Economy"]

[Text] Of course, journalists frequently turn to the chief of the Moldovan Railroad, G. Mikenberg, with their questions. However, it was perhaps for the first time in the last few years that so many representatives of the mass media gathered in his office.

The press conference was organized on the occasion of the issuance of the government Decree on Measures To Develop Railway Transportation.

This was a long-awaited decree. G. Mikenberg dwelled on its key aspects. The document provides for developing the Program and Chart for the Long-Range Development of Railway Transportation, taking into account its integration into the European transportation complex, as well as building new sections of the network and upgrading certain most significant facilities.

In addition to the proprietary funds of the railroad, appropriations from the republic budget, bank credit, and off-budget funds are supposed to be allocated for the development of railway transportation. The feasibility of attracting foreign capital and loans from international organizations for purchasing rolling stock and the most significant types of machinery and materials was acknowledged. The task was set to organize in Moldova the repairs of certain types of cars, devices, and equipment and the manufacturing of spare parts, making use of the production capacity of local industrial enterprises.

The adoption of the decree does not at all mean that the railroad is indebted to the state. On the contrary, the railroad of Moldova operates in a stable and profitable manner, without subsidies. It fully meets the need for freight and passenger carriage alike, is converting two sections to electric traction, and is building a new spur line, Revaca-Cainari, which will make it possible to reduce the distance to the station Bessarabskaya by more than 100 kilometers.

However, a number of specific difficulties have recently developed that the railroaders are not in a position to overcome solely with their own resources.

In the last two years, the railroad has not received a single diesel motor coach train, a single freight or passenger car, or a single wooden tie. Some 32 percent of diesel motor coach trains qualify for retirement. The numbers of broken-down passenger and freight cars are snowballing. More than 1 million rotten ties lie on main and entry-and-exit tracks. This is an alarm signal from the railway sounding full blast. At present, it is still able to handle the volume of carriage, whereas tomorrow a crisis may break out in the course of which not only the carriage of freight and passengers will fail to be ensured, but the guarantee of safe traffic will also disappear. This is why it is hard to overrate the issuance of the government decree.

There is no way to do without foreign investment. At present, one compartment coach costs 1.1 million Deutsche Marks, and a diesel motor coach train, \$5 million. In addition, it has been resolved to build the Chisinau-Bucharest main line. To be sure, the International Bank for Reconstruction and Development has taken an interest in this project and is prepared to invest in construction.

Moldova received 13,000 cars as a result of the division of the car stock among CIS countries. There are many cars that are somewhat difficult to repair because of the erstwhile strict specialization. We have begun to repair certain things in overhaul workshops here. The rest we send for repairs to other states selecting places that are cheaper and more advantageous. However, even this claims considerable funds.

All the enumerated problems are objective. There are a great many subjective ones! They are threatening to tear the railroad into pieces. In this instance, furious assault has been mounted on the part of Ukraine. Over there, it has been resolved at the level of the parliament to take away from Moldova the stations that are located on the territory of Ukraine. If they succeed the railway of Moldova will be torn into six sections. To the credit of railroad personnel, we must say that they are also preparing for the worst. A number of scenarios have already been developed under which the unity of the railroad and the management of technical processes will be maintained. Nonetheless, they are awaiting with hope the results of government-to-government negotiations between Moldova and Ukraine that will dot all "i's" in railroad property disputes between the two states.

What about the Dniester area? Over there, they just would not give up the desire to establish their jurisdiction over the subdivisions of the railroad located on the Left Bank. The economic absurdity of such striving has been proven. However, yet another cycle of their expansion is building up again.

But the appetites of Right Bank officials are no smaller. The Ministry of Health Care is simply obsessed with the notion of taking health care establishments away from the railroad personnel. The government rejected these claims. They did not calm down, and appealed to the parliament. The parliament acted the same way the government had. A new attack is now beginning. Why is the Ministry of Health so bent on doing it? There is one argument: All medical establishments should report to a single center. However, departmental medical services of the railways have been codified in all CIS countries, in Romania, Poland, Bulgaria, and Hungary because of the specifics of railway transportation. What specifics? There is a special approach to employees who are associated with traffic, that is, traffic safety and the lives of a multitude of people. There are special requirements for sight, hearing, fatigue resistance, and psychological condition. There are prerun examinations of locomotive engineers. There are intricacies of occupational hygiene. There are services to railway workers who live in out-of-the-way locations—at junction points, small stations, and so on.

The attitude toward employees on the part of the mayor's office of the city is hard to understand. On one occasion, they took away a secondary school, on another, the building housing a committee of the trade union of railroad workers and the editorial office of the industry

newspaper. They are now trying to liquidate the children's hospital of the railroad—notwithstanding that the railroad has built in Chisinau huge residential subdivisions, hospitals, polyclinics, shops, and the Palace of Culture (which, incidentally, they are also dyeing). The railroad is continuing to build a lot of beautiful things, and helping the city to meet its needs.

How can they fail to appreciate this contribution to urban facilities? How can they trample on the rights of railway workers?

The fact that the government has stated weightily by way of its decree that it is extending its wardship and protection to the main line should cool off the fervor and ambitions of some zealous figures who wish to destroy the enterprise that has evolved for a long time, as well as a stable collective.

Edict on Servicing Internal Debt

944K0572B Chisinau NEZAVISIMAYA MOLDOVA
in Russian 23 Dec 93 p 1

["Edict of the President of the Republic of Moldova on Certain Issues of Servicing the Internal Public Debt of the Republic of Moldova"]

[Text] With a view to additional social protection for the population, I resolve:

1. The Savings Bank of Moldova shall:

continue the payment of 40-percent compensation on the deposits of the population accruing under the acts of the former USSR and effected since 1 September 1993;

begin, on 10 January 1994, the early payment of 75-percent compensation on deposits of the population accruing under Edict No. 72 of the President of the Republic of Moldova, dated 18 March 1992, On Compensation for Losses Due to the Depreciation of Savings in Conjunction With Price Liberalization to the Population of the Republic of Moldova.

2. The Savings Bank of Moldova shall be authorized to make payments to the citizens of the Republic of Moldova on certificates of the former USSR Savings Bank, having developed procedures for payments on the certificates.

The allocation of dividends (in equal parts) due to the National Bank of Moldova and the Ministry of Finance out of the profits of the Savings Bank based on the results of operations in 1993 and the first half of 1994, to the Savings Bank of Moldova by the National Bank of Moldova and the Ministry of Finance shall be envisioned in order to cover outlays entailed by the payments on certificates.

3. In December 1993, the Savings Bank of Moldova shall index the deposits of the population at the rate of 40 percent in all accounts active as of 29 November

1993, proceeding from balances in them as of 2 January 1992, and shall begin the payment of indexation amounts in March 1994.

It shall be established that from the moment of indexation and on, said amounts may be used in the process of privatization, in keeping with the State Program of Privatization in the Republic of Moldova for 1993 and 1994.

4. In coordination with the National Bank of Moldova, the government shall furnish funds to cover the outlays of the Savings Bank of Moldova made in keeping with Points 1 and 3 of the present edict, to which end the National Bank of Moldova shall, if necessary, extend the duration of an agreement with the Ministry of Finance concerning credit extended in keeping with Point 5 of Edict No. 261 of the President of the Republic of Moldova, dated 30 December 1992, On Procedures for Servicing the Internal Public Debt of the Republic of Moldova.
5. Edict No. 132 of the President of the Republic of Moldova, dated 27 August 1993, On Amending Edict No. 261 of the President of the Republic of Moldova, dated 30 December 1992, shall be pronounced void.
6. The present edict shall take effect on 17 December 1993.

[Signed] Mircea Snegur, president of the Republic of Moldova
City of Chisinau, 17 December 1993

Deputy Minister on Functions of New Emergency Response Department

944K0573A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 23 Dec 93 p 3

[Interview with Colonel A. Kochug, deputy minister of defense of the Republic of Moldova and chief of the Department of Civil Defense and Emergency Situations, by A. Verin; place and date not given: "A New Emergency Situation Service Created"]

[Text] A new Emergency Situation Service was created in the republic in September of this year. What is this successor to Civil Defense like? That was the topic covered in a conversation with Colonel Anatoliy Kochug, deputy minister of defense and chief of the Department of Civil Defense and Emergency Situations.

[Verin] Systems for the defense of the population and the economy have a rich history. Nevertheless in the most highly developed countries of the world they came into being and developed mainly after the Second World War. Actually that took place in the USSR as well as a system of nationwide measures conducted in peacetime and wartime to ensure protection of the population against the use of modern means of destruction. What is the Civil Defense like today?

[Kochug] Civil Defense is constantly developing its field of activity and expanding, and presently its task consists not so much of the defense of the population under conditions created by the change in modern means of destruction, as conceived by most of our countrymen, associating it only with the shelter and gas mask. Under conditions of modern production with its concentration of vast amounts of energy and creation and utilization of a great number of materials, including some that are dangerous to man and his environment, there was a sharp increase in the probability of accidents and catastrophes.

Natural disasters, which bring destruction of human life along with great economic losses, are constantly making themselves felt. The 1968 earthquakes in Moldova the Chernobyl catastrophe at the atomic electric power station that same year, the 1988 earthquake in Armenia, and the catastrophic flood in central regions of the Republic of Moldova serve as sad examples.

There were 28 emergency situations caused by fires, leakage of poisonous substances, explosions in residences, food poisoning, railway accidents, and other events occurring in just 10 months of this year in the republic. As a result 11 people were killed, seven wounded, and seven more poisoned.

[Verin] Consequently life itself is setting forth the tasks of ensuring the protection of the population together with physical assets of the republic against industrial accidents and catastrophes as well as ecological and natural disasters?

[Kochug] Absolutely correct. We do need realistic help in the form of a legislative base and legal back-up of measures for prevention (and a decrease in the consequences) of emergency situations. Such activity itself, however, is conducted through the creation of new organizations within existing structures of state administration. We believe that the establishment of the Department of Civil Defense and Emergency Situations within the Ministry of Defense was a timely measure. This determined the role and place of Civil Defense in the overall scheme of state organs of power. Other questions of considerable importance are also being resolved at the same time. For instance, the presently existing non-military Civil Defense units are ineffective in handling consequences of accidents, catastrophes, and natural disasters.

[Verin] Can we expect a time when the process involving adoption of the laws will be completed?

[Kochug] Yes, the extraordinary events that are taking place both within the republic and beyond its borders, compel us to be vigilant. The interaction of society with the environment and preservation of the biosphere for the benefit of the people has now become one of the most pressing problems. Under conditions created by political instability, a sharp decline in the rates of production, the economic chaos, lack of necessary laws (the disregard of those that were adopted), as well as the irresponsibility of

power structures and managers of a number of ministries, government departments, enterprises, organizations, establishments, and national economic facilities it is all the more important to assign primary importance to the problem of Civil Defense in our republic on the territory of which almost all types of emergency situations of industrial and natural kinds are possible.

Moldova is in a seismically hazardous zone where the force of an earthquake could reach eight or nine points. In the republic there are eight atomic electric power stations at distances of 150—400 kilometers with different kinds of reactors, similar to those at Chernobyl which are destroyed easily in case of an accident while fuel is scattered over large areas. There are around 70 chemically dangerous facilities in operation in the republic which employ about 20,000 (with over half-a-million people living in their proximity). Thousands of tonnes of highly toxic and other explosive and flammable substances are transported by truck and rail in the republic. Hydraulic developments along Dniester and Prut rivers threaten around 170 populated points with flooding of more than 1,000 square kilometers with a population of more than 160,000. The indicated factors have repeatedly created situations that were close to being emergencies.

[Verin] Last week your department conducted a check of the state of Civil Defense and training together with the Ministry of Transport of the republic. What was its purpose?

[Kochug] Emergency situations should be regarded as phenomena conditioned by various factors because of which it is necessary to prepare ahead of time for their manifestation while working out and implementing measures aimed at their neutralization and lessening of harmful consequences. Therefore with consideration of the circumstances which might develop on the territory

of the republic as a result of an emergency situation we tested the capability of the ministry to resolve these tasks on the engineering, radiation-chemical, and medical-biological level, along with other elements. At the same time we conducted a series of practical measures in the process of which management at various levels of the ministry and the personnel of the units obtained and consolidated required experience. I will note that railway workers demonstrated a good training level and the proper understanding of established tasks, even though the concept of the exercises required them to function in a practical manner. Naturally, the deficiencies revealed in the course of our joint work must be eliminated rapidly but on the whole this ministry has good workers devoted to their work and to duty.

[Verin] Colonel, what practical steps are presently being taken by the Department to prepare for the consequences of emergency situations?

[Kochug] In accordance with a government decision we are creating five emergency rescue units. At present we are faced with complex and important tasks involved in housing these units, establishing military order, the field regulations, supply of equipment and specialized gear for them, as well as creation of the necessary training-material and a methodological base making it possible to undertake fruitful training in order to be constantly prepared to resolve tasks confronting the fighters-rescuers.

Adoption of the law on Civil Defense in the Republic of Moldova is on the agenda. The draft of that law has now been prepared and was submitted to a parliamentary committee together with a series of statutes and decrees, and other documents are also being prepared.

[Verin] Thank you. Now we know who we must rely on in the most complex situations.

ESTONIA

Finland Assists in Oil Cleanups at Sea

94WN0121Z Helsinki HELSINGIN SANOMAT
in Finnish 9 Dec '93 p 11

[Article by Jukka Perttu: "Finland Promises To Help Estonian Oil Cleanups"]

[Text] A bill has still not been issued for the Kihnu incident.

Finland supports Estonian oil cleanup efforts at sea. The environment ministers of both countries, Andres Tarand and Sirpa Pietikainen, agreed last Wednesday in Helsinki that Finland would support Estonian oil cleanup operations by offering, among other things, training, equipment, and expert help. Finland also agreed not to charge Estonia for all the costs involved in cleaning up after oil spills in Estonian waters.

The Finnish aid is financed by, among other things, adjacent area cooperation funds.

Finland intends to continue its support during a five-year transitional period, but the period may be extended, if necessary.

On the other hand, the permanent agreement signed by the environment ministers is based on equality, as each country is obligated to lend assistance in case of oil spills. The agreement provides the basis for cooperation between environmental protection authorities in case an oil spill accident happens in the Gulf of Finland.

Russian oil, for example, is exported through Estonian ports for foreign destinations.

Estonia's defenses against oil spills are still quite weak. The country has two vessels with oil recovery equipment. In addition, the Estonian Board of Navigation has ordered from Finland two 18-meter-long workboats. There is also some other oil spill equipment in the country. Senior inspector Olli Pahkala from the Ministry of the Environment said that the oil companies at the new oil terminal in Tallinn had acquired their own oil spill equipment.

Cooperation and Experiences

The cooperation between Finland and Estonia was put to the test last January when the coastal tanker Kihnu leaked oil into the waters of Tallinn. Two oil cleanup vessels and a sea rescue helicopter were rushed from Finland to provide help.

Sources at the National Board of Waters and the Environment told us that a bill covering the expenses had not yet been sent to Kihnu's owners. The board has been unable to issue a bill as it has not yet, in its turn, received all the outstanding bills from other agencies that participated in the operation.

Tarand Thanked for the Help

The ministers also signed a joint planning agreement and program for 1994. In addition, Tarand and Pietikainen have conducted negotiations regarding environmental cooperation between the two countries.

Tarand thanked for the help with a pleased smile: "Of all environmental aid received by Estonia, about half has come from Finland."

Pietikainen, on her part, praised the Estonian efforts to protect its shores. The country's coastline has been protected from builders.

'93 Economic Overview

944K0531A Tallinn ARIPAEV in Estonian No 146,
24 Dec 93 pp 46-47

[Summary of study by economist Teet Rajasalu: "Estonia's Economy Stabilized In 1993"]

[Text]

Estonia's economy passed its lowest point of the last few years in the Spring of 1993, but stability of the economy was reached by the end of the year. By 1995, real growth of the economy could start, wrote economist Teet Rajasalu in his study "Estonia's Economy For the Year of 1993." What follows is an abbreviated version of the chapter dealing with the balance of economic development and the condition of its primary markets, along with projections for the next two years to come.

Thanks to the monetary reform and current economic policies, Estonia's economy has reached a balance for the most part. The trade is balanced, inflation stabilized.

The growth of unemployment has been stopped and, even if this summer's drop in unemployment turns out to be a seasonal phenomenon, one can presume, at least, that the growth rate of unemployment has been slowed down for the time being.

The ratio of foreign trade (including services) and the current ratio of payments are pretty much balanced out.

Estonia's monetary market is characterized by a steady growth of assets backing the kroon, accompanied by some monetary expansion. Interest rates are coming down, and credit resources are increasing.

Only the credit market is still clouded by confusion stemming from foreign loans, on one hand, and changes in ownership relations and the emerging markets for securities and privatization securities, on the other.

Low Purchasing Power Balanced the Market

Estonia's trade had already balanced itself during the first half of 1992. This was a result of rapidly increasing prices, and a relatively slow growth of profits. By the middle of 1993, the purchasing power of an average

salary had increased to 38 to 40 percent of the fourth quarter, 1989 level. It was the low purchasing power of the population that helped balance out the supply and demand on the market of consumer goods.

A significant role in balancing the trade market was also played by increasing imports. Thus, the import of food

items for the first three quarters of 1992, at prevailing prices, was rated at 27 to 35 million kroons, from where it went to over 200 million kroons for the fourth quarter, and to 293 million kroons for the first quarter of 1993. Thus, the value of imported food items has grown close to 10 times, while the actual increase in volume, at comparable prices, should be somewhat smaller.

Leading indicators of Estonia's economic development

	1992	1993	1994	1995
			projected	projected
DGP/prevaling prices (billion kroons)	14.2	20.9	30.4	38.3
DGP/1992 prices (billion kroons)	14.2	13.5	14.2	14.6
Growth of Domestic Gross Product (percentage)	-16	-3.1	4.9	3.3
Consumer spending/prevaling prices (billion kroons)	7.7	12.4	17.4	22.8
Consumer spending/1992 prices (billion kroons)	7.7	8	8.1	8.7
Growth in consumer spending (billion kroons)	-24	4.1	1.2	7.4
Import of goods/prevaling prices (billion kroons)	6.1	11.5	17.2	23.7
Import of services/prevaling prices (billion kroons)	1.9	2.1	2.7	3
Export of goods/prevaling prices (billion kroons)	5.5	10.1	14.7	18.6
Export of services/prevaling prices (billion kroons)	2.3	4	5.4	6.9
Current balance of payments (billion kroons)	1.8	0.5	0.4	-1.4
Balance of payment reserves (billion kroons)	0.8	1.8	1.7	-0.1
Balance of payments, as percentage of DGP	5.8	8.8	5.5	-0.2
Annual average monthly salary (kroons)	591	1,066	1,607	2206
Number of unemployed (thousands)	14.9	17	28	36
Number of unemployed & job seekers (thousands)	20	30	42	50

Last year, Estonian producers competing on the marketplace were protected by the lower prices of domestic goods. Due to inflation, most goods are gradually reaching the price level of imported goods. Inflation taking place up until now has been mostly on the supply side and brought about by increased production costs. The greater the number of goods, whose prices are in competitive balance with those of imported goods, the less of a chance there is for any further price increases or inflation. The danger of driving the domestic goods out of the marketplace, however, will be increased. This became evident in daily life as far back as 1992, when problems arose with butter and its imported substitutes. Over a period of time, cheese and eggs have reached the price level of imported goods, with sausage products expected to get there soon. Also approaching world market levels are prices for pastry products, building materials, sanitary equipment, real estate and cars, as well as hotel rates and construction fees.

Level of Income Extremely Low

The income level of the population is considerably below the average level of countries determining world market

prices. The income level is 10 to 30 times lower than that of the Nordic countries or member states of the European Community. The need for increased income raises doubts about the government's income policy which, in order to curb inflation, restricts the growth of income. Also speaking in favor of future income and price increases is the fact that Tallinn is becoming the favorite shopping place for Finnish tourists, and the additional demand created by them is driving the price levels much too high for the local population.

However, an increase in the income and demand stemming from the purchasing power of the population can lead to increased consumption of imported goods, without boosting the consumption of domestic production. A growth of imports will, on the other hand, bring about a drop in domestic production, which will cause the income of the population to drop. Income is diminishing even without any administrative interference from the government. Diminished income reduces the demand for imported goods, and the trade ratio will be balanced.

Projected balance of payments (million kroons, at prevailing prices)					
	1992	1993	1993	1994	1995
		first half	anticipated	projected	projected
Current balance	1,839	950	530	350	-1,400
Export of goods	5,548	4,295	10,000	14,700	18,600
Import of goods	-5,412	-4,340	-11,500	-17,200	-23,700
Balance of goods	136	-45	-1,500	-2,500	-5,100
Export of services	2,345	1,600	4,000	5,400	6,900
Import of services	-1,710	-779	-2,120	-2,650	-3,000
Balance of services	635	821	1,880	2,750	3,900
Balance of income	-78	-104	-250	-500	-1,000
Balance of transfers	1,146	278	400	600	800
Capital balance	-342	1,201	2,305	2,810	3,320
Direct investments	705	800	1,700	2,200	2,700
Portfolio investments	0	1	5	10	20
Other capital	-1,047	401	600	600	600
Reserves	-820	-1,394	-2,435	-1,660	80
Errors and corrections	-677	-757	-400	-1,500	-2,000

Inflation Running at 25 Percent For the New Year

One can assume that inflation in Estonia will slow down gradually. For 1994, consumer prices are projected to go up by roughly 25 percent, and for 1995, somewhere between 15 to 20 percent. At the same time inflation will remain relatively high compared to developed industrial countries, where it is anticipated to run at 3 percent for 1993 and 1994.

Estonia's inflation rate is kept high by continuing changes in the proportion of prices, and the steady movement of prices toward world price levels. This process must also take in the normalization of the population's income levels, i.e. cost of labor, that is part of the wage-price spiral which, through increasing production costs, is causing the prices to go up. Secondly, it should be considered that the rapid drop in inflation up until now is due largely to obsolete technology and low depreciation costs, making the normal renewal of assets impossible. Not renewing the assets at world market prices, however, will bring about a noticeable increase in the depreciation levels of assets and prices of finished products.

This is why, in Estonia's situation, maximum suppression of inflation should not be the prime objective, as that would stretch out the period needed for adaptation to world market conditions. More feasible would seem to be an economic policy that does not put excessive limits on price and income increases in the open (effectively competing) sectors of the economy. What is significant here is not the rate of inflation as such, but making sure that the inflation remain on the supply side, the economy be open, the payments balanced, a balance achieved between price proportions and the level of income in the closed (non-competing) sector of the economy; and also

that minimum wages and pensions be in a socially equitable proportion to the wage level of the open sectors.

The Kroon Not To Be Revalued Soon

The population's income could also be raised without upping the level of nominal wages, but rather by a gradual revaluation of the kroon. This would mean stability for the prices of domestic products, a drop in the prices of imported goods, and lower inflation, or stopping inflation altogether. In foreign trade, too, this would increase both the cost of production for import, and the demand for imported goods.

To do that, one would first have to give up using a fixed rate of exchange. This could, to be sure, reduce confidence in the Estonian kroon, and protecting the exchange rate of the kroon may prove to be difficult for Bank of Estonia. At the same time, it would give a certain freedom of movement in case there are any significant changes in the German economy, and the kroon linked to the German mark will be revalued excessively or devalued, for that matter. Right now, these possibilities are legally ruled out.

Secondly, implementation of the entire economic policy would be concentrated in the hands of Bank of Estonia. By determining the exchange rate, it would be implementing both price and income policies, and the role of the Pricing Office in regulating prices would be reduced. Also changed would be the role of the Social Services Ministry in formulating the income policy. Good pension laws, wage scales, tax rates, etc. would, in the case of stable prices and wages, stay in effect for a long time without changing.

Even if transition from a fixed exchange rate, to a periodically adjustable fixed rate, for example, may some day be necessary, it is not expected to take place within the next two years. First, the parity reserve of the kroon's purchasing power is sufficient to hold out for a couple of years which, even at projected rates of inflation, will guarantee a purchasing power higher than the exchange rate. Secondly, it is not likely that the current government of politicians, and the government coalition setting the tone at Riigikogu would give that much of a mandate to Bank of Estonia to control and direct the economy. Obviously, the government is not willing to limit itself to fiscal policy making, and turn the entire monetary policy over to the central bank, as is the custom among classical market economies.

Balance of Payments Negative For 1995

For the balance of payments, a growth in the trade deficit is projected. Even though exports are growing significantly, they also generate additional income that creates a demand for imports. As the imports increase, the trade balance will remain negative, despite the growth of exports. The balance of services has been positive, so far, and is likely to remain so in the future. It is expected that the surplus from services will still cover the deficit of the trade balance for 1994. Beginning with 1995, however, the balance of payments may turn out to be negative.

As for the capital balance, the situation is undetermined. Direct investments of foreigners in Estonia will probably be going up in the years to come. In addition to those, there may also be portfolio investments, the volume of which has been insignificant up until now. Should the privatization procedure change, and simple buying of shares in state enterprises opened up to both domestic and foreign capital, the chances of increasing portfolio investments will also go up. Also not ruled out are portfolio investments in foreign countries, especially in cases where no effective application for the capital can be found locally.

Even though possible errors and inaccuracies are considerable, in 1994, there should be an increase in the total

amount of gold and convertible currency reserves, shown as negative amounts in the table for the balance of payments. During the first 10 months of 1993, the gold and currency reserves of Bank of Estonia have increased by more than 2 billion kroons. The increase in assets backing the kroon is projected at 2.4 billion for 1993, and up to 3.8 billion kroons for 1994. By 1995, the trade deficit will probably be so large that the growth of reserves will either slow down or stop. This will also impact the money market and the possible emission of currency.

Growth of Exports Continues

The projected development of Domestic Gross Product (DGP) stems primarily from changes in demand. But ultimately it is spending that determines the projection of DGP. According to projections, the intensive growth of exports should continue during 1994. This increases the volume of production in Estonia. The increased volume of operations, will bring about an operating surplus, mixed profits from business, and higher wages. At the same time, the growth in 1994 will still be largely inflationary. Productivity will not go up much. The cost of production will assume an ever-increasing significance among exporting companies, making it necessary to increase productivity and reduce the work force. All this requires increasing investments to update production.

In the best of cases, one can expect the first significant results to show up in 1995. Increases in salaries will continue, but productivity will go up also. This way, salary increases will have less of an impact on production costs and prices. In 1995, the purchasing power of wages and the actual volume of consumer spending should begin to go up. This brings about increased activity on the domestic market which, in turn, will cause the volume of producing goods and services to go up. The increased activity on the domestic market also increases the demand for imported goods. Competition will get keener, some domestic producers will be driven out of the market. Motivation to reduce production costs will also increase. Along with the livening of the economy, investments will grow in both fixed and current assets, increasing demand even further.

Projected Domestic Gross Product at prevailing prices (million kroons)					
	1991	1992	1993	1994	1995
			anticipated	projected	projected
By income					
Wages and social security income	725	6,108	10,733	15,344	20,094
Cost of fixed assets	102	637	2,012	2,917	3,824
Indirect payments	252	1,379	2,539	3,482	4,744
Grants	41	324	380	431	511
Operating surplus and mixed income	743	6,448	3,981	9,098	10,130
Total DGP	1,781	14,247	20,906	30,410	38,301
By spending					
Consumer spending	917	7,697	12,378	17,420	22,812
Public sector spending	241	1,749	3,717	4,678	5,686
Spending by non-profit organizations	2	871	820	1,060	1,220
Total outlay of capital for fixed assets	357	3,032	4,438	6,863	9,579
Inventory increase	91	973	-936	149	218
Export	584	7,893	14,060	20,100	25,513
including goods:	445	6,113	11,502	17,209	23,745
services:	50	1,856	2,120	2,650	2,983
Statistical difference	85	0	31	0	0
Total DGP	1,781	14,247	20,906	30,410	38,301

According to projections, conditions for economic growth and motivation for increasing investments should be developing during 1994 and, beginning 1995, the economy could start showing actual growth. If projections are realized, the DGP volume for 1994 would be roughly 30 billion, and for 1995 up to 38 billion kroons. Using the June, 1992 prices as a base figure, the value of DGP would be 14.2 and 14.6 billion kroons respectively, yielding an annual growth of 5 and 3 percent respectively.

Source of Tables: Economic Institute, Academy of Sciences

Sildmäe Discusses Investment Potential in Estonia

944K0530A Tallinn ARIPAEV in Estonian No 146,
24 Dec 93 pp 46-47

[Article by Aap Tānav: "Sildmäe Knows What To Risk With"]

[Text]

Last Friday EVEA [Estonian Small Business Association] awarded the honorary title of 'Entrepreneur's Friend '93' to Economic Minister Toomas Sildmäe—the man who, on every possible occasion, has been getting a 'no confidence' showing from ERSP [Estonian National Independence Party], that is part of the government coalition. The first such showing took place on February 8, the day Sildmäe took his oath of office before Riigikogu [Estonia's parliament].

"The award of 'Entrepreneur's Friend' was obviously given to me in recognition of my attitude toward entrepreneurs, that is different from that of life-long bureaucrats of earlier times," said Sildmäe the night before yesterday, after the EVEA [Estonian Small Business Association] representatives had been to the Economic Ministry to present the minister with the pin and the certificate confirming the title.

Sildmäe is convinced that, considering Estonia's size and its geographic location, the future of our economy can only be in small and medium-size business enterprises. He has had a considerable share in the creation of the Credit Fund for Businesses with Small and Medium-Sized Capital Requirements, the utility of which has repeatedly been questioned by the prime minister as well as other members of the government. In the opinion of many of the European Community experts, lending money at a lower interest rate from Estonia's own commercial banks amounts to state subsidy.

An Estonian Entrepreneur Is Relatively Honest

Sildmäe is satisfied with the new income tax law that establishes a uniform 26-percent tax rate for natural persons as well as legal entities.

"Collecting income tax is dialogue between the entrepreneur and the tax collector. The objective of the new law was to find an optimal level at which there is no point to lie or to hide," Sildmäe says and rates the Estonian entrepreneur as a relatively honest being who no longer has to hide his profits. Estonians are relatively honest,

especially when compared to their Eastern neighbors. In the Western business world of developed countries which Sildmäe, for lack of a fitting term in Estonian, called the *business community*, unwritten rules prevail. "If you cheat once, you will simply be left outside of that circle."

Privatize Everything But the Nuclear Plant

"The privatization process is slow and one could speculate that, following the present policy, it would take about two-to-three years to privatize perhaps 80 percent of the state-owned enterprises. The rest will take at least 10 years, says Sildmäe, who is also a member of the Privatization Agency's administrative council, and supports the position that everything that could be done using private capital, should be done using private capital.

There are currently 360 state enterprises within the administrative scope of the Economic Ministry. Some of them have been partially privatized, others are in the process of being sold. In Sildmäe's opinion, companies that produce and sell energy cannot be privatized in the near future. For the time being some strategic areas like the railroad, for example, should also remain the property of the state.

"Once the economy evolves, a business culture will emerge and give substance to the word 'agreement' that, in the rest of the world, is acceptable not only in writing but also verbally, and one can start building on that. There are money-printing facilities in the world that are based on private capital. If there was a nuclear power plant in Estonia, maybe that should not be privatized," Sildmäe says.

Investment Climate Free of Risk

Over the past few years, Estonia has made its way on the map of the world. A big job has already been done in the Scandinavian countries and in Europe, and Sildmäe is out to conquer new regions. Along with Prime Minister Mart Laar, he visited Korea, Singapore, and Taiwan. Along with President Lennart Meri, he went to Kuwait, Turkey, Jordan and, only recently, returned from Morocco.

"This is how agreements are developed for economic cooperation, protection against mutual double tariffs, and for protecting investments. These, in turn, make possible the development of enterprise based on private initiative," says Sildmäe who, up until now, has put his signature on only one international agreement that regulates foreign trade relations between Estonia and Austria. He thinks that, compared to the rest of Eastern Europe, Estonia's situation is very promising, and that we have managed to convince foreign investors of the relatively risk-free nature of our investment climate. During the year now ending, foreign investments made in Estonia have been larger than those made in Latvia, Lithuania and Belarus combined. This success can be

attributed largely to several laws passed by Riigikogu lately, such as the right-to-own law, along with its implementation.

Approaches of Ministries Differ

The Economic Ministry headed by Sildmäe coordinates the preparation of quite a number of laws. Mentioned, among these, should not only be the national law to support private enterprise, the regional policy law, and the preferred regions law, but also the law dealing with the city of Paldiski, and the three laws that are closely linked to the decree signed by Sildmäe in June of this year, dealing with restrictions on advertising for alcoholic beverages and tobacco products. These are laws on advertising, tobacco and alcohol. This summer's decree is not going to take effect with the new year, as planned, because everything is held up by the consumer protection law.

"The Economic Ministry's approach to legislation differs from that of the Ministry of Justice, which wants to create volumes of legislation that would cover the entire field of commercial law. This, however, would take a long time and, since life cannot be put on hold, we better get the necessary laws ready one by one," says Sildmäe, not willing to wait until Estonia gets smart enough to compile such large volumes of laws that have taken other states decades, or even centuries to assemble.

Sildmäe's impatience is understandable considering that, in order to insure rapid development of Estonia's economy, he is expecting investments in the range of \$100 to \$200 million a year to be made in Estonia.

"This year's 1 billion Estonian kroons is not enough. Looking at downtown Tallinn can be deceptive. The cellulose plant alone, which Estonia really needs, requires investments to the tune of 500 million DEM. The areas calling for large investments in Estonia are many, like our energy production, for one," says Sildmäe, as he tries to find reasons why production should go outside of Tallinn: "When you look at Estonia on the world map, and talk about the investment climate, one can see it has become suitable. The same is happening inside Estonia. The climate is suitable in Tallinn and the Harjumaa district. It gets worse going North-East, and worse yet going South-East."

It was for the express purpose of enhancing regional development that the Innovation Fund and the Estonian Export Credit Fund were created at the Economic Ministry, in addition to the credit fund for small business. Sildmäe does not believe that any production facilities requiring investment could be financed by Estonia's commercial banks at the current borrowing rates. This type of credit could only work for something with rapid turnover, like sales.

Altruistic Creative Potential

Besides entrepreneurs, Sildmäe wants to support the formation of all possible clubs, cooperatives and associations, because he sees them as a valuable source of creative potential.

"When we started out at the ministry a year ago, our credo was that we are not the smartest," Sildmäe says, describing the style he and his team had. "Our success hinges on being able to connect the all the sides of the quadrangle: Civil servants, entrepreneurs, scientists and foreign consultants."

The fact that the economic minister is a man of action, was proven by Sildmäe in August when he, along with some kindred spirits, formed the Taxpayers' Alliance, which he also calls G-13.

"The Taxpayers' Alliance is a completely apolitical organization, the members of which simply get together over a cup of coffee, to discuss the processes taking place in Estonia's society, and to find solutions to the problems facing us. To stay in shape, one has to keep evolving. G-13 was one such opportunity. Its members come from different walks of life, representing different ambitions, and different political views," Sildmäe says. He characterizes the launching of this highly controversial organization as a blue-eyed, if not altruistic attempt to show that there is a non-partisan force, springing from economic realities.

Sildmäe's Job Is Done

When he took office in February, Sildmäe said that he had agreed on a term of up to one year with Prime Minister Laar. That year will be up on February 5. In the meantime, the economic minister, as a person, has caused so much controversy in government circles that the media has come up with a slogan "Sildmäe home for Christmas."

"I have also been a civil servant prior to my previous life and have promised that I will never enter state service again. After my January talks with Messrs. Kannik, Luik and Laar, I made a different decision knowing full well that it will bring me both profit and loss. I thought it would be possible, in about a year, to build up a ministry that would be viable and could work out an economic strategy for Estonia. Today, this job is done," says Sildmäe who has consolidated four ministries under one roof, and reduced the number of his subordinates from 270 to 150.

"By motivating people, and by giving them a chance for self-actualization, we can get by with a smaller number of employees. People just roll up their sleeves and get to work," Sildmäe says.

He has held out until Christmas, and soon we'll see how it goes with the year that was promised. On January 10, Sildmäe will appear before Riigikogu to respond to the inquiry initiated by the Isamaa faction regarding the economic minister's participation in business ventures.

"Actually, I have already responded to this inquiry before I took office. For the duration of my term as minister, I have turned over my stock portfolio to a lawyer, who will also get all the earnings from them," says Sildmäe who, besides his interest in the Finest Hotel Group (10 percent), and AS Rebaco (that controls the Hanseatic Bank), has a relatively less known block of shares in AS Tomut, a design and construction firm registered in Tartu.

It is of utmost importance to Sildmäe that, after his departure, the ministry retain the same general atmosphere, and that the new minister be an expert, and not a politician.

He is apparently returning to his former position as director of the Finest Hotel Group. This could also be deduced from the fact that Andres Eesmaa, who is heading the hotel company currently, is still using the title of acting director, and has not been appointed to head the company officially.

LITHUANIA

Brazauskas Issues NATO Membership Request

944K05784 Vilnius EKHO LITVY in Russian 5 Jan 94 p 1

["Statement by President of the Republic of Lithuania Algirdas Brazauskas on NATO Membership for Lithuania"]

[Text] Today, I have forwarded a letter to NATO Secretary General Manfred Woerner, in which I officially requested the admission of the Republic of Lithuania to the North Atlantic Treaty Organization, taking into account the resolution of the Seimas of Lithuania dated 23 December 1993.

Lithuania assesses the Partnership for Peace initiative favorably. At the same time, we hope that the NATO summit on 10-11 January will open the doors of this organization to the countries of Central and Eastern Europe, and that a way will be found for partnership to gradually grow into membership.

We are fully aware that with the present statement, Lithuania is embarking on a new, complex, and responsible stage in rapprochement with the European Union and NATO, which will call for determination, new solutions, and large material resources. I believe that much will be clarified following my visit to Brussels scheduled for 27 January of this year.

The position of Lithuania regarding NATO membership is not directed against neighboring states or any other European country; all of them should find a place in the new security structures of our continent. Just as before, we come out in favor of close cooperation among Baltic countries in all areas, including the area of defense, and in favor of reinforcing security and stability in the entire Baltic Sea region.

Vilnius, 4 January 1994

Gyls Letter Seeks Closer Cooperation With U.S.*944K0578B Vilnius EKHO LITVY in Russian 5 Jan 94 p 1*

[Report by Department of Information and the Press of the Ministry of Foreign Affairs of Lithuania—ELTA: "Letter by P. Gyls to the U.S. Secretary of State"]

[Text] Minister of Foreign Affairs of Lithuania Povilas Gylys has sent a letter to U.S. Secretary of State Warren Christopher.

Lithuania, reads the letter, is particularly interested in close cooperation and assistance from the United States in the area of national security and defense and the reinforcement of economic reforms and democratic institutions.

Despite the fact that the last Russian soldier has left Lithuania, we still find ourselves in a security vacuum, the letter reads. The presence of the army of a foreign state in Latvia and Estonia is a factor of instability in the entire region. The large Russian Army concentration in Kaliningrad Oblast gives rise to particular concern. Lithuania would like to invite the attention of the international community to the need to demilitarize this region.

The letter notes that the Russian notion of "neighboring foreign countries" is unacceptable to Lithuania. The fact that Russia's foreign policy may become more nationalistic and aggressive with regard to the Baltic states following the parliamentary elections also causes concern.

The minister noted that Lithuania, in its striving to blend into Western political, economic, and security structures, considers NATO its future security guarantor. Lithuania, in which there is no foreign army and no problem of ethnic minorities, strives to reinforce cooperation with NATO. We welcome the "partnership," hoping that this will become a stimulus for cooperation "from partnership to membership."

Foreign investment is an important factor in the development of the economy of our country. U.S. investment is extremely important to Lithuania in this context. Our country intends to sign several treaties with the United States, including the treaty "On Incentives and Protection for Investment."

Toward the end of the letter, the minister offered W. Christopher and his family holiday wishes.

Lithuania-Poland Border Crossing Agreement Goes Into Effect*944K0578C Vilnius EKHO LITVY in Russian 5 Jan 94 p 1*

[ELTA report: "Agreement Has Taken Effect"]

[Text] The Department of Information and the Press of the Ministry of Foreign Affairs of the Republic of Lithuania states that an agreement between the Governments of Lithuania and the Republic of Poland on expanding traffic through the Kalvarija-Budziszki border crossing will take

effect 31 December 1993. From now on, citizens of all countries holding diplomatic passports will be able to use the Kalvarija-Budziszki border crossing. Employees of the Embassy of the Republic of Lithuania in Warsaw and its consular offices in the Republic of Poland, as well as those of the Embassy of Poland in Vilnius and its consular offices in the Republic of Lithuania who produce certifying documents to this effect, will also be able to travel through this crossing.

Jursenas Reviews Seimas Achievements*944K0578D Vilnius EKHO LITVY in Russian 4 Jan 94 p 2*

[Article by Česlovas Jursenas, chairman of the Seimas, Seimas member from Ignalina-Svencioniai Electoral District No. 53, under the rubric "Topics of the Week. Their Ramifications for the Future of Lithuania": "Česlovas Jursenas: 'We May and Must Work Well for the Good of Lithuania'"]

[Text] Naturally, the last week of the year could not go by without an analysis and discussion of the operation of the Seimas. We did this both at a meeting of the leadership of the Seimas and among our associates. To my mind, the best result is that, if we were to compartmentalize the work of the Seimas by session and month, it has become more intensive, organized, and fruitful. As the leader of the Seimas, I certainly find this gratifying. Of course, we argue at plenary sessions, and sometimes quarrel. However, our productivity is obvious. What has been required of the Seimas under the Constitution has mostly been completed. We will discuss and adopt at our session the things we have not completed after all, the draft legal acts we have not managed to translate into the form of laws; this is why the session was extended. What remains is to pass several articles of the law on Seimas controllers or ombudsmen, and to vote on this law, which establishes a new and very important constitutional institution. In the future people will be able to turn to it with complaints about bureaucratic, unlawful actions of officials and employees of government and self-government structures. That is, along with state control which monitors how state property is used, how the budget is implemented, and so on, we will have an office which is called upon to analyze specific actions of officials and defend the legitimate interests of citizens.

The adoption of the 1994 state budget on time certainly is a favorable aspect of what the Seimas has accomplished. This is of special note because the budget was adopted as the Constitution requires for the first time in the years of independence, i.e. the full four years. Is this a good or a bad budget? I would say it is mediocre because we did not succeed in meeting all needs; the situation of the state is still quite difficult, but we do already have a budget, and certain prospects together with it. If we consider that in 1993 Lithuania hit the bottom in its socioeconomic development and achieved a certain stabilization, albeit at a low level, this means that in 1994 we should have an opportunity to elevate ourselves and climb out of the hole of the crisis. I believe

that the Seimas has facilitated this by way of its legislative proceedings, its cadre decisions, and its activity.

As far as the budget specifically is concerned, as I see it, it is primarily called upon to meet social needs. This budget is intended for the people to a greater degree than those we have had so far. I believe that everything possible has been done to meet their needs, and that the government, in keeping with its policy, will help retirees, the handicapped, and other low-income strata of the population if new funds become available.

Agriculture, for which 400 million lits were appropriated, was the second concern of the budget. Although agrarian deputies counted on greater funds, judging from their criticism, things that were done for the rural areas exceeded our potential to begin with. It was also important that Seimas commissions analyzed and revealed shortcomings in relations between producers of agricultural products and representatives of processing enterprises and mutual complaints were clarified; we now have an extra opportunity to regulate mutual settlements.

There was no dearth of criticism concerning expenditures from the budget for state government. I would say that these were largely populist statements; there are people who like to rail at the authorities and demand that wages and other expenditures of the government staff be cut. However, when I read letters from the people, of which a great many are addressed to me, I find out that complaints from the people are mainly due to a failure to sort things out, a lack of potential to do so, and so on rather than the desire to harm someone or gain advantage. If we keep cutting wages or outlays on the government staff, it will hardly retain good specialists. Competent and businesslike people will leave for some kind of commercial structures. If we were to look at it seriously, this would be an antistate decision because both the Seimas and the government structures need skilled workers no less than any other organization. Having increased expenditures, we have the legal and moral right to demand high-quality and effective work and the performance of their duty from the people.

We already have a preliminary plan for the future spring session. A comprehensive plan of sorts for all our laws and envisioned draft laws, amendments, and additions to the laws has been compiled in order to see graphically how the system of state government and state structures will be transformed in keeping with the Constitution. If in addition to that we refine certain articles of the Seimas Statute, I believe that the spring session will be held in a still better organized format. The draft laws on retirement benefits, taxes, land use, antialcohol control, and so on are among the most important draft laws.

It is natural that heated debates are now taking place at Seimas meetings. The truth is born from disputes. To be sure, it is possible to call into doubt the constructive nature of particular pronouncements and proposals of Seimas members. However, if different opinions exist, all of them must be heard and discussed. I know that many people are

concerned about the prospects for relations between the position [as published] and the opposition. Some interpret the activity of the Fatherland Union party, such as was recently displayed at its congress, as well as at the Sajudis congress, as a threat to domestic political relations in the country. I think that political attacks of this kind are not viable and are transient. The consent of almost the entire Seimas is needed in order to hold early elections to the Seimas, as they proclaimed at these events; this case is clearly defined in the Constitution. This is resolved either by the Seimas itself or by the president dissolving the Seimas in a certain situation. The president's opportunities also depend on our considered or not considered actions. I believe that this composition of the Seimas works in a quite organized and effective manner; the members of the Seimas have improved perceptibly with regard to parliamentary work. Given the experience we now have, we may work calmly and work well for the good of Lithuania. I see no formidable grounds for early elections; if anyone does see them, let them make demands—it is their right. They wish to aggravate and inflame the situation. What can we do? However, we will have enough energy and patience to engage in our positive endeavor. It is precisely through such positive actions in both the legislative and executive areas that we will ensure that Lithuania moves ahead. As far as our interaction, for example, cooperation within the framework of the Seimas, it existed and must exist in the future. Of course, we cannot accept proposals of the right-wing opposition that would run counter to our electoral program or our principles. After all, we won elections, and are pursuing our own policy; the government and the president do this. However, we accept all constructive proposals, and many such proposals from the right-wing opposition have already been accepted. We are in favor of a constructive approach to work—this is our principled position, my personal position, that of the DPTL [Democratic Labor Party of Lithuania] in the Seimas, and finally, such is the position of the president. I repeat that we may and should work well to benefit Lithuania.

I would like to wish all people of Lithuania a quiet year of work. I am convinced that this year will be better than the last, and life will gradually become easier if we work in a quiet environment to benefit ourselves and advance the country.

Defense Council Weighs Military Doctrine, Defense Reorganization

944K0553A Vilnius LIETUVOS RYTAS in Lithuanian
21 Dec 93 p 2

[Article by Ramune Sakalauskaitė: "Defense Council Meeting Participants Deliberated Defense Doctrine and the Future of National Defense"]

[Text] A one-and-a-half hour meeting of the Defense Council took place yesterday in the office of President Algirdas Brazauskas. Participants of the meeting in addition to Brazauskas were Prime Minister Adolfas Slezevicius; Seimas Chairman Ceslovas Juršenas; Jurgis Jurgelis, general director of the Security Service; Defense

Minister Linas Linkevicius; Foreign Minister Povilas Gylys; Jonas Andriškevičius, chief of the armed forces; Gintaras Tamulaitis, deputy to the armed forces chief of staff; Vytautas Petkevičius, chairman of the Seimas national security committee; Algimantas Norvilas, the president's advisor on national security affairs. Two topics were deliberated at the meeting: Petkevičius presented the defense doctrine, and Linkevicius presented a plan for the reorganization of the structure of the national defense system.

Following the meeting, Andriškevičius, chief of the armed forces, indicated that a decision had been made to present to the Seimas the defense doctrine deliberated at the meeting. In his opinion, there had been no fundamental disagreements during the discussions, and there was ready agreement regarding difficult technical issues. With respect to a reorganization of the structure of the national defense system, a decision was made to separate the functions of the armed forces and the ministry. Asked whether there had already been a division of the functions, Andriškevičius replied, "The commission is working and the president expressed the hope that this issue be resolved as quickly as possible. So this is what we will do."

Andriškevičius indicated that those at the meeting were happy that good bilateral relations were continuing between Russia and Lithuania in the wake of the meeting between the countries' prime ministers. It is thought that certain technical military issues will receive a certain amount of accelerated attention.

Assessing the Defense Council meeting, Foreign Minister Gylys said that there had been discussion of how to establish public control of funds earmarked for national defense. This, he asserted, is one of the requirements for integration into international security systems.

To the knowledge of Norvilas, the president's advisor on national security affairs, the reorganization in the national defense system has already begun. The group working on the reorganization of the defense ministry has been entrusted with selection of one of four available draft proposals, and, following deliberation of it, with submitting it to the Defense Council.

Seimas Approves Working Group for CIS Negotiations

944K0553B Vilnius LIETUVOS RYTAS in Lithuanian 23 Dec 93 p 2

[LIETUVOS RYTAS article: "Only One Former National Delegation Member Included on Team for Negotiations with CIS"]

[Text] Vilnius, 22 Dec (BNS)—The composition of the working group for Lithuania's negotiations with the CIS countries was confirmed at the Wednesday meeting of the government leadership.

Virgilijus Bulovas, ambassador extraordinary and plenipotentiary and a member of Seimas, has been appointed head of the working group, which will have four additional members. Bulovas previously headed the national delegation for negotiations with Russia, since dismissed by the president.

The other members of the group did not belong to the earlier national negotiating delegation.

They are Raimondas Barcevičius, vice-minister for industry and commerce; Arvydas Leciūnas, vice-minister for transportation; Ricardas Seibelis, director of the account settlement center of the Bank of Lithuania; Petras Zapolskas, head of the foreign ministry's CIS countries section.

Some of the members of the delegation for negotiating with Russia, dismissed by decree of the president, have decided not to dissolve their group. They have not, for the time being, outlined their status more clearly, but intend to do so at the first meeting of the group, which will probably take place right after New Year's.

Romualdas Ozolas, one of the members of the group, calls the decision by the former negotiators a "civic initiative" to observe and evaluate the negotiations with Russia as well as the treaties that are made with it.

Lithuania's Diplomats Meet for Annual Foreign Policy Review

944K0553C Vilnius LIETUVOS RYTAS in Lithuanian 23 Dec 93 pp 1-2

[Article by Marius Laurinavičius: "Lithuania's Ambassadors, Assembled from West and East, Assess Their Activities and This Past Year's Foreign Policy Favorably"]

[Text] Yesterday, the representatives of the Lithuanian diplomatic corps, gathered for the annual meeting-conference now taking place in Vilnius, continued to discuss Lithuanian foreign policy problems. In the morning, the ambassadors and heads of diplomatic missions participated in a discussion held in the Seimas of our country's foreign policy.

In the course of this Seimas meeting, an accusation was made from the rostrum that even among Lithuanian ambassadors there are some who act as politicians, not as officials of the nation. A. Januska, deputy foreign minister and director of the Political Department, requested by LIETUVOS RYTAS to assess these accusations and, if there are any such ambassadors, to identify them, said that the ministry did not believe that there were any such individuals and that there were no reproaches against any of them in this regard on the part of the ministry. According to Januska, this idea was voiced merely as a hope that there not be such diplomats.

Yesterday, LIETUVOS RYTAS talked to the heads of the three probably most important Lithuanian diplomatic representations.

The first thing we asked A. Eidintas, ambassador to the United States, was whether, in the wake of the departure of some of the workers at the embassy, he had now gotten his team together, and how the embassy was operating. The ambassador replied that this departure had not come as a great surprise and that the current workers are fully covering all aspects of the embassy's activity, that the work of the embassy did not stop for even one day, and that he had now come to Vilnius without any concerns regarding the embassy.

Despite the fact that most emigre Lithuanians favor former ambassador S. Lozoraitis, the ambassador maintained that at this time, relations with the Lithuanian Community of America are businesslike. According to the ambassador, the embassy and the Lithuanian Community of America had succeeded in agreeing that they were working toward the same goal and that for this reason it was not important who might be in charge of the government or who the ambassador might be: relations ought to be businesslike. The Community was now assisting the embassy.

On a five-point scale, the ambassador rated at a three the performance this year of the Lithuanian diplomatic service. He assigned this rating because he believes that the diplomatic service has been slow in getting on its feet. However, even this three reflects substantial achievement, in his opinion, because it is not easy to get going after such a long interlude. And the diplomatic representations are working and are of great political and especially economic use.

When asked to assess the achievements of Lithuanian foreign policy on the same basis, Eidintas said that everything was overshadowed by the withdrawal of Russian armed forces and that because this was accomplished, he would assign a score of five, despite all the areas where performance fell short, e.g. lack of a conceptual framework and absence of strategy.

Ambassador to Germany Z. Namavicius rated Lithuanian foreign policy this year with a score of four. He believes that truly a lot has been accomplished, and one can only be amazed by this, because our diplomats lack experience and there are almost no professionals among them.

When asked about possible solutions to the problem relating to visas, he said that this problem really was being worked on in Germany and that the interior ministry had been provided with what German president R. von Weizsaecker had promised on the occasion of his visit to Lithuania. The only thing holding up the process is the absence of a treaty on the insurance of and provision of aid to citizens in the event of an accident, and other such situations. The preparatory work for this treaty ought to be concluded as quickly as possible, but otherwise everything is developing very favorably for us. The ambassador believes that the treaty governing entry without visas will be signed sooner or later, perhaps as early as next year.

When asked what Lithuania could do to attract more direct investments from Germany, Namavicius said that the first thing Lithuania should do is something that it has not yet done, but which it may do in the future: sell land to be used for production facilities. Investors would then feel much more secure. The ambassador believes that Lithuania's duty and tax policy is sufficiently favorable, but it ought not change around every two months. With respect to where things stand on the investment front, the ambassador was pleased that the trends were good. In July, there were only somewhat more than 300 joint enterprises with Germany, whereas now the total is up to 443. There has not, though, been any large-scale investment, with the exception of the Siemens company, which may have broken the ice.

We asked ambassador to Russia R. Kozyrovicius whether, in view of the election results and statements by certain of Russia's highest officials that corrections in economic policy are anticipated now that the elections are over, one should not also expect changes in Russia's foreign policy. Although the ambassador believed that it was difficult to make any kind of predictions at this time, he indicated that in a certain sense Russia's foreign policy can be expected to change. The difficulty is to say in which direction it will go. The ambassador has noticed that the tone of Russian foreign minister A. Kozyrev has even become less harsh. Kozyrovicius would not want to believe that—with the entire world watching—Russia will begin to implement a foreign policy reflecting the results of the parliamentary elections. He would expect the emergence of healthy and wise forces who will carry out a normal, non-dictatorial, and non-imperial policy.

When reminded about the somewhat differing opinions of the main implementors of Lithuanian foreign policy as to whether Lithuanian foreign policy toward Russia will change or not—foreign minister P. Gylis maintained at a press conference on Tuesday that "there will be corrections" in the wake of the elections in Russia, whereas president A. Brazauskas indicated in an interview that appeared in a daily newspaper on Wednesday that our policy will not change—Kozyrovicius said that first there should be internal agreement, and foreign policy should be formed subsequently. The ambassador believes that Lithuanian policy should not change for the time being, because it is uncertain what kind of situation will evolve. According to Kozyrovicius, the results of the elections should not be totally ignored, however, and if Russian policy changes then Lithuania should change its policy as well.

Seimas Members Offer Views on Lithuania's Foreign Policy

944K0553D Vilnius LIETUVOS RYTAS in Lithuanian
23 Dec 93 p 2

[Article by Arturas Racas: "Discussion in the Seimas on Lithuania's Foreign Policy: For Some, Everything is Clear, Only Certain Ministers are Still Lacking; Others Maintain that Foreign Policy is Experiencing a Fiasco"]

[Text] With the participation of Lithuanian diplomats accredited abroad, there was a discussion in the Seimas yesterday on Lithuania's foreign policy.

Speaking first, Lithuanian president A. Brazauskas specified what he believes are the three highest priority directions for foreign policy: closer cooperation with the Baltic nations and the countries of Northern Europe, further integration of Lithuania into Europe's economic, political, cultural and security systems, as well as the improvement of relations with neighboring countries.

Developing the idea of closer cooperation with the Baltic countries, the president talked broadly about the problem concerning the construction of an oil terminal. He thought it entirely natural—in the wake of the Latvian government proposal to do so—that the possibilities of constructing a terminal in Liepaja were being considered. "It is regrettable that some perceive this as politically motivated", Brazauskas said.

On the subject of relations with Russia, and specifically regarding military transport to the Kaliningrad region, the president noted that there will be consultations with foreign experts on this issue. The president also spoke out in favor of the demilitarization of the Kaliningrad region and of having it become a free economic zone.

The president of Lithuania specified the signing of a free trade agreement with the European Union as one of the most important tasks on the road into Europe. He said that heretofore, insufficient attention had been paid to economic relations with western countries, because greater attention had been paid to the normalization of relations with the East, which, in the opinion of the president, Lithuania has basically succeeded in achieving. According to Brazauskas, there needs to be a greater focus on the economic aspect of foreign policy and he encouraged the government to be more active in this area.

Continuing on the topic of Lithuania's journey into Europe, Brazauskas expressed regret that the Lithuanian constitution does not allow for the establishment of the position of a minister for Western European affairs, which Brazauskas believes would greatly facilitate Lithuania's integration into the West. He proposed that the Seimas consider the possibility of establishing such a ministerial position, and in the meantime assign these duties to the deputy foreign minister.

Having pointed out that of late there has been an increase in Lithuania of discussions and statements regarding the necessity of joining NATO, the president stated that "there is sufficient desire and determination." Furthermore, according to Brazauskas, Lithuania has more arguments for drawing closer to this organization than do its neighbors Latvia and Estonia. He also asserted that in the aforementioned countries, the discussions about joining NATO are not as emotional as in Lithuania. According to the president, a serious discussion of this issue has not even started yet in Estonia.

Brazauskas rejected accusations regarding the secrecy of foreign policy. "There is no secret or two-faced foreign policy, everything is open and straightforward," the president said. In his opinion, the current foreign policy is calm and appropriate; perhaps what was still needed was to provide information on it to a wider audience.

According to Brazauskas, relations with Russia are not tense; however, it is difficult to guess what they will be in the future. The president maintained that as Russian policy changed, Lithuanian policy would also be reviewed, but in either case, the issue of compensation for damages would continue to remain one of the most important topics of negotiation.

"We ought to be courageous, intelligent, and moderate," Brazauskas said in concluding his address.

Speaking next, foreign minister P. Gylis first listed many treaties that had been signed and the dates of many visits that had taken place. He acknowledged that "the lack of conceptual efforts was noticeable," but went on to remark that the government's program as well as the President's conceptual addresses served as a substitute for a conceptual framework for foreign policy.

The minister emphasized the geopolitical aspect of foreign policy and maintained that Lithuania could regard itself as a Central European country. This was the reason, in his opinion, that Lithuania should move into Europe subject to the same conditions that are applicable to the Visegrad countries. Gylis believes that Lithuania is rapidly pursuing these countries and will draw even with them in the near future.

In response to questions by Seimas members, Gylis asserted that there is no one directly responsible for the construction of the oil terminal, because a final decision on this issue has not yet been made. Gylis also indicated that NATO should not be turned into an idol before which Lithuania should be made to kneel.

Commenting on the free trade agreements with the CIS countries, the minister said that the treaties exist, but that because of the situations in these countries they are not being well implemented. Free trade is going on with the Kaliningrad region, according to the minister, it just has to be made official.

When asked by G. Vagnorius to answer straight out whether Lithuania intends to join NATO, Gylis said, "We aren't going anywhere, we are where we are, however, we are going towards NATO."

In the discussion that took place after the intermission, V. Pleckaitis proposed that the Seimas recommend that the President make an official application for relations with NATO, and, having drawn attention to the fact that Germany and Russia were drawing closer together, he asserted that Lithuania's political leaders sometimes participate in scenarios set up by Bonn and Moscow.

Stating that Gyls should comprehend that the pro-Russian policy which Gyls and J. Paleckis were implementing was a fiasco, V. Landsbergis urged that a more persistent effort be made to seek membership in NATO. He suggested that new elements be brought into the treaty discussions with Poland, namely, to talk of mutual interests, as well as of security issues relating to the Kaliningrad region.

A. Saudargas, who spoke on behalf of the christian-democratic faction, maintained that recently, the government had begun to proclaim what was, in effect, a new foreign policy. What supported such a conclusion was that the Lithuanian leadership had, in his opinion, "clearly and categorically forbidden Lithuania to join NATO by itself," (such a determination was expressed at the meeting Tuesday with diplomats accredited abroad), and "had expressed the intention to build an oil terminal in a neighboring country, which is in substantially greater direct danger than Lithuania."

The statement made by LDDP representative A. Tauras stood out from those made by most of the speakers. In his opinion, Lithuania should be a neutral, peaceful, and demilitarized country, and he again cited the seeking of neutrality and the guarantee of economic development as the fundamental purposes of foreign policy.

Seimas members L. Andrikiene and R. Ozolas found the statements they heard lacking in conceptual terms, in terms of foreign policy goals, and in terms of strategy. Ozolas blamed all members of Seimas for the lack of a conceptual framework, because in his opinion, there can be no foreign policy concept if there is no conceptual framework for the country. Ozolas also proposed creation by Lithuania, Latvia, and Estonia of a plan for comprehensive defense against a possible threat.

Characterizing in general terms the discussion that had taken place, the foreign minister asserted that it had been useful. He proposed to the opposition that it formulate a conceptual framework for foreign policy and guaranteed that no one will need to go underground in the wake of this discussion. In concluding, the minister said, "Let the people discharge the responsibility that they are assuming."

REGIONAL AFFAIRS

Official Examines Baltics 'Hard Line' Stance on Russia

944K0596A Moscow SEGODNYA in Russian 11 Jan 94
p 10

[Article by Vyacheslav Yelagin, under the "The Military" rubric: "The Baltics Are Looking for Allies"]

[Text] Vyacheslav Ivanovich Yelagin was born in 1946. He graduated from the Moscow State University Foreign Relations Institute. He is the supervisor of a section of the department of the MFA [Ministry of Foreign Affairs] of Russia.

The breakup of the system of bloc confrontation in Europe opened up the most favorable prospects before the Baltic republics for the conduct of a balanced policy in the sphere of military-political cooperation. The Baltic countries intend to cooperate closely with one another on this question, which, of course, is not at all unnatural. Just in recent months, a number of practical steps were taken for this purpose. A meeting of the ministers of defense occurred in September, and in November there was a conference of senior army ranks. One principal question was discussed: the elaboration of a unified defense policy of the Baltic states. Recommendations were also put forward for united efforts in a number of spheres of military construction. In particular, the parties came to an agreement on the unification of armaments systems and on the operational exchange of information of a defense nature. A coincidence of viewpoints was displayed regarding the possibility of the participation of the Baltic states in peacekeeping actions. The creation of a combined Baltic battalion of 650 bayonets is being proposed for this purpose.

Special attention is being given in military-political circles of the Baltic countries to their integration into Western security structures. Thus, one of the recent announcements of the ruling Democratic Labor Party of Lithuania notes that "close cooperation with NATO, NACC [North Atlantic Cooperation Council], WEU [Western European Union], and other organizations is consistent with Lithuania's national interests." And Lithuania intends to cooperate closely with Latvia and Estonia on this question.

The concept of the national security of the country was discussed at a conference of party leaders of the Estonian parliament. The political leaders came out for cooperation with the international defense structures of the West and the creation of regional security structures. The thesis of "total defense" was put forward at the conference, and the principle of abandonment of neutrality. A proposal was also heard to arm the citizens of the republic and to strengthen border security owing to the "Estonianization" of the border area population.

The Baltics do not conceal the fact that what they would like to do most of all is to take the path of arranging close military ties with NATO in order to strengthen the security of their states in the face of foreign danger. They are calling on the North Atlantic bloc to give security guarantees, to conclude agreements on dispatching reinforcements in the event that crisis situations arise, to assist in the development of mobilization plans, training of command personnel, organization of the border service, and modernization of infrastructure facilities transferred by Russian military units, and to supply military equipment.

Active discussions are going on about the "Partnership for Peace" plan, with the aim of extracting from it the maximum possible strengthening of relations with the West. Lithuanian President Algirdas Brazauskas declared that Lithuania intends to strive for the signing

of a treaty or an agreement with NATO on partnership and cooperation. Lithuania, in the words of the president, supports NATO efforts to extend the security zone to all the states of Europe who want this.

And nevertheless, the choice of the Baltics in the direction of unilateral cooperation with NATO puts one on guard. Forces that are in opposition to the governments of the Baltic states are especially active in this respect. For example, the "Fatherland Union"—a new party of an extreme right orientation established on the basis of the Sajudis movement and headed by Vytautas Landsbergis—is persistently striving for Lithuania's acceptance into NATO. And this despite the fact that the question of NATO membership was completely removed from the agenda at the meeting of the NACC in Brussels.

In turn, NATO headquarters in Brussels are prepared to give the Baltic republics as much help as possible in the formation of national armed forces, on condition that they are of an exclusively defensive nature and are not directed at changing the existing balance of forces in this region. What is more, at the "Future Security" conference held in Vilnius, General John Waters, the deputy commander in chief of NATO's combined armed forces in Europe, directed attention to the fact that the "slide of some states to positions of nationalism and militarism" is causing increasing concern among NATO's leaders. There are also no intentions in NATO under any circumstances, judging by statements of its representatives, to occupy military facilities abandoned by Russian troops. The maximum that the Baltics can expect, as Manfred Werner, the general secretary of the North Atlantic Alliance, gave Minister of National Defense Linas Linkevicius to believe, is NATO assistance in military construction; for example, in identifying defense systems and in teaching English to compulsory service soldiers and officers in training. However, the parameters of military relations of individual NATO countries with Baltic states, it appears, are beginning to go beyond the outlined scope of late.

Realizing that the possibilities for full membership in NATO now are unlikely, the Baltic countries are developing variants of establishing certain bloc formations as a counterweight to Russia. The thesis about the need for rapprochement with some neighboring states to the detriment of Russia's interests is receiving wider and wider circulation. Baltic politicians are repeating publicly that their countries will never be "under the Russian collective security umbrella." And friendly relations with Russia are seen in Vilnius, Riga, and Tallinn primarily in mutually profitable economic cooperation, without which it will evidently be difficult to live.

But the very same Landsbergis publicly accuses Moscow of "an imperial policy," claiming that Russia, he says, will recreate "a post-Soviet Euroasiatic union," and that in its relations with neighboring states it will conduct an official policy of "reintegration," accompanied by bloodshed in Moldova, in the Caucasus, and in Central Asia.

The arrangement of the heads of the governments of Russia and Lithuania concerning the preparation of an agreement on questions of military transit to Kaliningrad Oblast became the subject of sharp attacks on the part of the Lithuanian opposition. The basic argument, they say, is that the foreign policy of Lithuania is made secretly, behind the back of the Seimas. But the press organ of the opposition—LIETUVOS AIDAS—came to the direct stunning conclusion that "the military transit of Russia over Lithuanian territory is impermissible and equivalent to an escalation of aggression." But even this did not seem to be enough. The newspaper proposes to transform Kaliningrad Oblast into a kind of a subject of international trade between Russia, Lithuania, and Germany. Meanwhile, it is well known that no kind of military equipment is being transported through Lithuanian territory to Kaliningrad. Mainly building materials and foodstuffs are being transported there. To the credit of official Vilnius, it calls the future agreement on military transit "a vital necessity," recognizing the right of Russia to defend this territory.

Anti-Russian actions of this kind will hardly promote a strengthening of the international prestige of the Baltic countries. This thought was distinctly expressed during his visit to Lithuania by FRG President Richard von Weizsacker, who emphasized that peace and prosperity in the region of the Baltic Sea are possible only in the neighborhood of a peaceful and flourishing Russia. Current and future politicians of the Baltic states evidently should not forget these prophetic words.

The military doctrine of the Russian Federation was given a hostile reception in the Baltics. They see in it a threat to their national security interests and the aspirations of Russia to return to itself the status of a superpower and to resolve interstate relations from a position of strength. It seems that here the Baltic leaders are forgetting one simple truth: Our doctrine has a strictly defensive character. It provides for the use of force only in response to open aggression from outside, and also in the conduct of peacekeeping operations in areas of conflict in order to stop bloodshed. The Russian Armed Forces are called upon to guarantee the stability of the Russian state. Therefore, they do not constitute any kind of threat to the national security of the Baltic states. To think otherwise means to engage in wishful thinking.

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The results of the parliamentary elections were met in Vilnius, Riga, and Tallinn with noticeable alarm. This kind of anxiety is quite understandable. The success of the nationalistic forces in Russia has put the world community on guard. But the Baltics, it seems, are pursuing their own egotistical interests. In contrast to other countries, the anti-Russian notes have gotten even stronger here against this background. Politicians of all ranks have again begun to speak about the "Great Russian chauvinism and aggressive revanchism," which, they say, threatens the security of the Baltics. Some of them have reached the point of calling on the West to

take extraordinary measures to isolate Russia. Demands can also be heard to attract to their side states of the CIS to counteract Russia, in particular Ukraine, Kazakhstan, and Belarus. Prime Minister of Estonia Mart Laar came out for the urgent integration of the Baltic countries into the European Union and NATO. All possible predictions are being made on the question of the withdrawal of Russian troops and the maintenance of the still remaining military facilities.

The impression is being created that the recent events in Russia are being used by these politicians for the justification of the tough line they are conducting both with respect to Russia and the Russian-speaking population that resides in the Baltic states. The elections that were held, as has already been announced in Moscow, will not have an influence on the foreign policy of Russia toward the Baltics, for in its essence it will remain that of the president.

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